1949

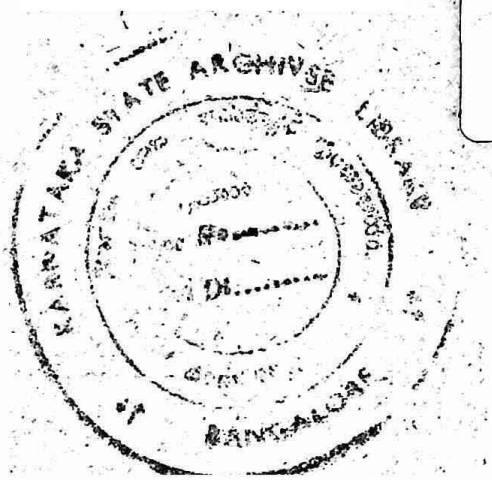
207

Report of the Economy

Committee

Chairman :- B. S. Raghavendra Rao

KS LIBRARY, B'lore
376
330.[illegible]GR,1949
II 24



BY 18776.

X:7-'N62:1
X'62

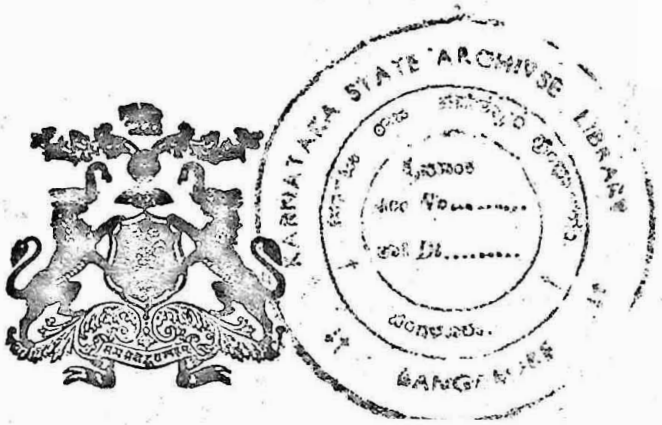
REPORT OF THE ECONOMY OFFICER

SRI B. S. RAGHAVENDRA RAO, M.A. (HONS.)
(MYSORE CIVIL SERVICE)

TO THE

GOVERNMENT OF MYSORE

1949.



(B) 18776.

BANGALORE:
PRINTED BY THE DIRECTOR OF PRINTING, STATIONERY AND PUBLICATIONS AT THE GOVERNMENT PRESS
1949

REPORT OF THE ECONOMY OFFICER

SRI B. S. RAGHAVENDRA RAO, M.A. (HONS.)
(MYSORE CIVIL SERVICE)

TO THE

GOVERNMENT OF MYSORE

1949

BANGALORE:
PRINTED BY THE DIRECTOR OF PRINTING, STATIONERY AND PUBLICATIONS AT THE GOVERNMENT PRESS
1949

FROM

SRI B. S. RAGHAVENDRA RAO, M.A. (HONS.),

Economy Officer to the Government of Mysore,

Bangalore.

To

The Secretary

to the Government of

His Highness the Maharaja

of Mysore,

Finance Department,

Bangalore.

SIR,

I have the honour to submit herewith for the perusal of Government and such action as they deem fit a consolidated report containing my recommendations in the matter of economies in expenditure and proposals for augmenting Revenues in order to meet the situation created by falling Revenues and increasing Expenditure.

In my Report under advertence after, a preliminary review of the finances of the State and service conditions, the receipts and expenditure relating to each department have been examined and a list of retrenchments suggested and savings that would accrue therefrom and the increases in Revenue that could be anticipated if the proposals made were implemented is furnished in respect of each department or section thereof.

For facility of reference, a summary of recommendations made in each Chapter is also attached to the Report. In addition a major head Abstract has been appended incorporating the net effects of the proposals both in respect of retrenchments and augmenting Revenues under the several major heads. It will be seen therefrom that if the proposals are fully implemented, the Revenue would stand at Rs. 1,012·84 lakhs and the expenditure chargeable to Revenue at Rs. 997·42 lakhs giving a small surplus of Rs. 15·42 lakhs.

The delay in getting the statistical information called for from the several offices has been largely responsible for my being unable to complete my work earlier. Even by February 1949 several large-spending departments had not sent their replies at all. My examination therefore especially in the case of those departments which sent their replies late was very hurried.

In the case of a few departments where the fixing of requirements of staff required technical scrutiny I have suggested the constitution of Committees with Financial and Technical Officers and the Officer-in-charge of Efficiency Audit to examine the work of each official or group and determine the same. I have no doubt that such a procedure would enable considerable reductions being effected in the staff. This Committee could also examine proposals for further devolution of powers and simplification of office procedure.

Similarly regarding the Industrial Concerns, a few of these I saw confirm the view that they are heavily staffed and considerable pruning is possible and this could be effectively done by a Technical Committee of the type suggested above which may include a representative of labour and which will examine the work in great detail, fix work loads and thus determine the maximum staff, labour and establishment that would be necessary for prescribed targets of production.

Regarding implementing these proposals I wish the procedure that had been contemplated at first, *viz.*, of the proposals being discussed at a meeting of the Head of the Department concerned, the Financial and the Departmental Secretary and the Ministers concerned with the Economy Officer being present had been continued. This would have given me an opportunity to explain the proposals especially when they would be charged as being "Impossible, Unworkable, etc.," but I regret this has not been possible. I could not unfortunately explain in great detail in my Report the 'rationale' for the several proposals made therein, as that would make the Report very bulky. The Report is already bulky enough and I had therefore necessarily to be very brief.

I have emphasised in the Report the imperative need for balanced Budgets and if my Report is helpful in securing this end, my purpose would have been served.

Regarding Industrial Concerns, I have forwarded separately a Report regarding the Concerns I have inspected.

Yours faithfully,

B. S. RAGHAVENDRA RAO,

Economy Officer.

TABLE OF CONTENTS.

CHAPTER I.

PAGE.

Introductory 1

CHAPTER II.

Review of the Financial position 10

CHAPTER III.

Service conditions :—

(*a*) Salaries 27
(*b*) Establishment :—
(i) Superior service 31
(ii) Inferior service 37
(*c*) Allowances (additions to salary) 39
(*d*) Travelling Allowance 47
(*e*) Pensions 51
(*f*) Temporary Establishments 57
(*g*) Leave 60
(*h*) Financial responsibility of disbursing officers ... 62
(*i*) Holidays and hours of work 64

CHAPTER IV.

Contingencies and other charges 66

CHAPTER V.

Examination of the Revenue and Expenditure of Departments :—

Department of Revenue 70
Special Land Acquisition Office, Bangalore ... 86
Civil Liaison and Surplus Stores Disposals ... 87
Department of Land Records, Survey and Settlement ... 91
Department of Forest 98
Department of Excise 108
Department of Income-Tax 113
Department of Stamps 120
Department of Registration 125
Assigned Tract Revenue 129
Duty on Gold 130
Department of Mines 131
Sinking Fund 133
Interest 136
Palace 139

	PAGE
General Administration :—	
(1) Office of the Private Secretary to His Highness the Maharaja	140
(2) Dewan and Ministers	141
(3) Department of Legislature	141
(4) Secretariat	145
(5) Audit Department :—	
(i) Comptroller's Office	152
(ii) Railway Audit Office	163
(iii) Electrical Audit Office	165
(iv) Education Audit Office	167
(v) Public Works Audit Office	168
(vi) Office of the Commissioner of Refugees ...	172
Department of Muzrai	175
Scientific and Miscellaneous Departments :—	
(i) Department of Geology	179
(ii) Department of Meteorology	182
(iii) Department of Museum	182
(iv) Department of Archaelogy	183
Department of Stationery and Printing :—	
(i) Stationery Depot	185
(ii) Government Press	188
(iii) The Mysore Gazette	190
Miscellaneous Departments :—	
(i) Miscellaneous Establishments	194
(ii) Broadcasting Station	194
(iii) Stores Purchase Committee	196
Judicial Department	198
Department of Jails	208
Department of Police	210
Department of Medicine	219
Department of Public Health	229
Department of Public Works :—	
(i) Irrigation	236
(ii) Roads and Buildings	243
Department of Economic Development and Planning ...	253
Department of Education	258
Department of Agriculture	271
Department of Veterinary Services and Animal Husbandry...	286
Department of Horticulture	298
Department of Sericulture	304
Department of Industries and Commerce :—	
(i) Director of Industries and Commerce ...	309
(ii) Registrar of Joint-Stock Companies ...	319
(iii) Industrial Schools	320
Department of Labour	322
Department of Co-operation	352
Department of Marketing	329

PAGE.

Grants for Public Improvements 332
Department of Rural Development 336
Department of Military :—
(i) Army 338
(ii) Kunigal Stud Farm 342

Departments connected with Food and other Control Measures :—
(i) Food Secretariat 344
(ii) Food Supplies Department 346
(iii) Petrol Rationing 346
(iv) Emergency Police 346
(v) House Rent Control 347

Miscellaneous Railway Expenditure 348
Railways (Net Receipts) 348
Krishnarajasagara Irrigation Works (Net Receipts) ... 353
Electrical Department :—
(i) Augmenting Revenues 351
(ii) Economies in Expenditure 359
(iii) Automatic Telephones 364
(iv) Mahatma Gandhi Hydro-Electric Works, Jog ... 369

Iron and Steel Works and Cement Plant ... 274
K.G.F. and Chamarajasagara Water Works ... 375
Industrial Works (Profits) 376
Contribution to Funds 377
Expenditure met from Funds :—
(i) Irrigation Development Fund 379
(ii) Special Reserve Fund 380
(iii) Road Fund 380

Krishnarajasagara Irrigation Works (Revenue, Arrears of Water Rate and Contribution) 386

CHAPTER VI.

Capital outlay not met from Revenue :—
(i) Introduction 388
(ii) Railway Department 389
(iii) Krishnarajasagara Irrigation Works ... 397
(iv) Special Land Acquisition Office, Krishnarajasagara 399
(v) Electrical Department 402
(vi) Irrigation Works 409
(vii) Industrial and other works 412
(viii) Nationalisation of Bus Service 414
(ix) Iron and Steel Works 415

CHAPTER VII.

Ways and Means 420

PAGE

CHAPTER VIII.

Development Schemes and their implications :—

(i) Introduction 427
(ii) Re-settlement and Re-employment of Ex-Servicemen ... 430
(iii) Industries and Industrial Training ... 430
(iv) Road Development 432
(v) Irrigation projects 433
(vi) Agriculture 433
(vii) Veterinary 435
(viii) Forest 438
(ix) Co-operation 439
(x) Publicity and Propoganda 440
(xi) Rural Construction Drive 440
(xii) Education 441
(xiii) Medical 441
(xiv) Public Health 445
(xv) Sericulture 445

CHAPTER IX.

Conclusion 448

CHAPTER X.

Summary of Chapters 453

Annexure 513

LIST OF ANNEXURES

		PAGE
I.	Government Order appointing an Economy Officer ...	513
II.	Questionnaire sent to the Public	515
III.	List of Gentlemen who replied to the questionnaire ...	517
IV.	Major head abstract showing proposed increases in Revenue and reductions in Expenditure ...	518
V.	1. Statement showing the growth of Revenue and Expenditure from 1881 to-date	525
	2. Statement of Revenue and Expenditure under several heads from 1930-31 to 1938-39 ...	526
VI.	Statement of Assets and Liabilities	532
VII.	Statement of Revenue and Expenditure under several heads from 1938-39 to 1948-49	534
VIII.	Comparative statement of Income-tax rates in 1938-39 and 1948-49	560
IX.	Consolidated statement showing the expenditure on :—	
	1. Salaries and the number of Gazetted Officers ...	562
	2. Establishment, High Price and Dearness Allowances	565
	3. Travelling Allowance and Contingencies ...	568
X.	Circular issued by Government to Heads of Departments, etc., for formulating the reductions proposed	520
XI.	Statement showing the amount of allowances drawn in several departments	572
XII.	Statement of pensions and allowances from 1928-29 ...	573
XIII.	Statement of rent paid on private buildings used for offices in the State	574
XIV.	Statement showing the anticipated demand, collection and balance of contribution, and water-rate in Mandya District (Irwin Canal Area)	577
XV.	Statement showing the Taluks and the year in which the period of survey guarantee of thirty years lapses in respect of each	576
XVI.	Statement showing the scales of fee for several items of service rendered by the Survey Department ...	578
XVII.	Statement showing timber, etc., collected departmentally from the year 1932-33 to 1946-47 ...	581
XVIII.	Statement showing the working of Railways owned by the State	584

ERRATA.

"A"

Page	Para	Line	For	Read
15	8 Sl. No. 3	4	Rs. 9193	Rs. 91·93
16	8 Sl. No. 13	2	reecipts	receipts.
42	33	12	puties	duties
74	7	statement	In areas	In acres
84	35	8	whould	would
87	2	5	no	one
101	13	1948-49	Includes of scales of pay 2·23 for revision.	Includes Rs. 2·23 lakhs for revision of scales of pay.
103	20 (v)	4	forests	foresters.
108	3	2	in	is
131	1	1948-49 Total	3·90	3·94
133	1	4	1956-62	1956-61
149	15	7	every	very
153	3	8	considered	concerned
193	Statement	Grand total of Temporary.	416	146
196	6	Item 2 in the list.	food	for
210	1	1938-39 Superintendance	·3	·53
222	7	Margin	charges	system
261	6	4	increaseds	increased
262	9	1	Instructions	Instruction.
279	14 (1)	1	Agricultura	Agricultural
309	2	Statement	1240-41	1940-41
341	4	2	morals	morale
343	5	Statement Remarks against item 4.	net	not
345	2	7	shows	show
346	4	12	at	what
378	Industrial Development Fund.	8	is	are
379	Expenditure met from funds.	2	during	since
380	Road fund 2	1	is	are
383	Establishment	12	Rs. 12·62	Rs. 12·62 lakhs.
386	1	Margin	in	and
416	5	10	for	far
420	1	3	was	were
428	3	4	these	the
529	24 civil works	1935-36	7·31	7·38
568	2. Forest	1938-39	0·37	0·77

"B"

Page	Para	Line	.....
21	11 (iii)	3	Insert " being " after " it "
74	7	Statement	Insert " * " in columns 3, 5, 7, 9, 11,
94	8	6	Insert " sent " after " separately ".
194	1 (2-A.)	7	Insert " following " after ' the '
197	3	3	Insert ' no ' after ' only '
271	1	Statement	Insert the mark " * " in colums 3, 5, 7, 9, 11
346	4	13	Delete " what " after " and "
387	6	Margin	Insert " trees " after " manure "
518	Appendix (iv)	m. 3	Insert " per rupee " after " 6 pies "

REPORT OF THE ECONOMY OFFICER TO GOVERNMENT

Introductory

Although during the period of the Second World War, Government had to incur very heavy additional expenditure on account of the creation of new departments (such as Food, Civil Supplies), increased Military and Police establishments, grant of Dearness and High Price Allowances, etc., and losses on account of subsidising foodgrains which had to be imported in large quantities from outside the State at high prices and sold to our people at subsidised rates, there were, however, also large increases in revenue under several heads, such as Excise, Income-tax, Miscellaneous Taxes, Duty on Gold, and Railways, during the same period, which enabled Government not only to meet the increased expenditure but also to realise substantial surpluses that were utilised to build up several Funds and Special Reserves to be drawn upon for expenditure at a later date on development schemes calculated to raise the standard of living of the 'common man' and to provide for increased facilities to him such as Education, Public Health, Housing, etc. The several Depreciation Funds were also strengthened by additional contributions wherever possible in order to meet the heavy cost of replacements consequential to wear and tear caused during the War period. A special contribution of *one crore* of rupees was also made to strengthen the Loan Sinking Fund to which a fixed contribution of Rs. 18·78 lakhs per annum was being made irrespective of the Public Debt outstanding and the dates of maturity of the several loans.

2. The position has, however, since deteriorated very rapidly and the period of large surpluses has become a thing of the past. The enhancement of Dearness Allowance consequent on further rise in price levels and the recent revision of scales of pay sanctioned on the recommendations of the Pay Committee has added considerably to the recurring expenditure of the State. In addition, the post-war schemes of development that have been sanctioned or are under the consideration of Government involve a further increase in our expenditure. The policy of prohibition which it is the desire of

Government to introduce throughout the State is expected to wipe out in the next two or three years, the Excise revenue which in spite of prohibition in three districts, is at present the highest single item of Revenue and amounts even now, to nearly one-fifth of the total revenues. At the same time, adventitious increases in revenue in respect of several items such as Income-tax, Gold duty, Sandal oil, Timber, etc., which were being realised during the War period, can no longer be depended on. They are bound to shrink and we should be prepared, even while our expenditure is increasing rapidly, to meet a shrinkage in these major heads of revenue. The State Budget is therefore tending to get unbalanced and the forecasts point to a worsening of the situation. Although orthodox theories regarding the need for Balanced Budgets have come in for criticism and the theory is gaining ground that State Budgets should in a large measure be utilised to regulate the economy of the State, yet even according to these it is essential that Government expenditure should be severely curtailed and Balanced Budgets secured during periods of inflation like the present. The need for Provinces and States securing Balanced Budgets and avoiding or postponing all unproductive expenditure has also been repeatedly emphasised by the Government of India in the measures necessary to counter-inflation.

3. All this apart, for States like Mysore which have no separate currency of their own it is obviously not possible to carry on with a policy of deficit Budgets for any considerable length of time without damaging the credit of the State. Permanent increases in recurring expenditure without being assured of corresponding increases in Revenue to cover the same at least within a reasonable period would therefore be injurious to the credit of the State and should the *normal* expenditure of the State continually exceed its revenue resources, the State will find it difficult even to borrow on reasonable terms. The need for economising expenditure and augmenting revenue by additional taxation or improving existing sources of revenue in order to secure Balanced Budgets is therefore perfectly obvious, and this question had also been engaging the attention of Government. At the same time, on the side of the public also, there has been a general insistence for effecting economy in expenditure and the augmenting of our revenues and both in the Representative Assembly and in the Legislative

Council, resolutions to this effect were brought and they were withdrawn only on the assurance given by Government that the principles underlying the resolutions were acceptable to them.

4. Under these circumstances, Government in their Order No. Fl. 5086-5176—G.F. 206-47-1, dated the 8th March 1948 (printed as Annexure I) were pleased to appoint an " Economy Officer " with the undermentioned general terms of reference —

(1) to consider all questions of economy and retrenchment in the several departments ;

(2) to suggest ways and means of improving the revenue position either by fresh taxation or increasing the existing rates of taxes or otherwise.

It was also added in the Government Order that when the report of this officer was submitted to Government, they would then consider whether it was to be placed before a Committee and their recommendations also taken into account before passing orders. In order to facilitate the work of the Economy Officer, he was also authorised to inspect all offices, hold discussions with Heads of Departments or concerned Ministers and collect all the necessary information. The Efficiency Audit Officer and his staff were also requested to render all the required assistance. The terms of reference to the Economy Officer were further clarified in Financial Secretary's letter No. Fl. 5177, dated the 8th March 1948, suggesting that the following items might be taken into consideration, among other things, in dealing with the question of retrenchment and matters relating to the improvement of the revenue position of the State :—

(*a*) (1) Maintenance of a limited Police and Military fully equipped with modern arms instead of merely maintaining the present numerical strength,

(2) Reduction or abolition of departments created in connection with War such as Civil Supplies, Food Supplies, Emergency Police, etc.,

(3) Possibility of reducing the numerical strength and maintaining an efficient minimum staff in the Gazetted, Clerical, Executive and Inferior Services, by a

suitable re-organisation in the work and weeding out superfluous staff who have no full-time work,

(4) Abolition or reduction of several kinds of allowances,

(5) Limiting the travelling allowance charges of touring officers by fixing a monthly limit or otherwise,

(6) How far the expenditure under contingencies, purchase and other items of expenditure could be well reduced by enforcing economy and avoiding wastages,

(7) Limiting acting or other arrangements in leave vacancies,

(8) Restricting grant of leave for longer periods except on strong medical or other grounds,

(9) The possibility of postponing any of the post-war development schemes till the financial position improves,

(*b*) The possibility of developing the present revenue resources such as levy of fresh taxes or enhancing the existing rates of power charges, may also be taken into consideration in view of the increased working costs,

(*c*) Any other proposals that are likely to improve the revenues or reduce the expenditure may also be investigated.

5. I entered on my duties as Economy Officer on the 22nd March 1948 and a skeleton staff recruited from among the staff in various departments, with Sri C. G. Ramaiya (a retired officer with financial and administrative experience) as Assistant, started working only by about the middle of April. Naturally, the Heads of Departments with their rich experience and their intimate knowledge of the day-to-day work of their departments were the first to be looked up to for the most practical suggestions both regarding reduction in expenditure and modes of increasing revenue in their respective departments. They were undoubtedly in the best position to determine where and to what extent economies in expenditure were possible, how leakages in revenue could be stopped, what increases in revenue could be secured from existing sources, and what new

sources of revenue could be tapped. Accordingly, questionnaires were prepared in respect of each department separately and with special reference to the circumstances relating to that department inviting particular attention to the variations in revenue and expenditure in the department in question under the several heads, the strength of the establishments, etc. They were also requested to examine and furnish the reasons for increases in expenditure that had occurred during the War period (since 1938-39) and to favour me with their proposals in regard to the minimum essential requirements of their respective departments and the maximum extent of economies that could be possibly effected without impairing efficiency. They were also invited to offer suggestions in regard to the scope for augmenting the revenues. Their suggestions were also invited regarding simplification of procedure, avoidance of unnecessary returns, and changes in organisation conducive to reduction of establishment or economies in other expenditure. With a view to assist them in formulating their proposals, statements of expenditure on establishment and other charges in 1923-24, the first year after the retrenchments of 1922, 1932-33 the year after the 1931 retrenchments, 1938-39 the year just before the commencement of the War and during 1947-48 (Revised) and 1948-49 (Budget) were compiled and furnished to them. The statement also furnished an analysis of the establishment as it stood during those years and the number of gazetted and non-gazetted staff (including menials) in the various grades, temporary additions being separately indicated. Items in respect of which there had been increases in recent years were thus clearly marked out enabling them to investigate the reasons for such increases and suggest suitable economies. Comparative figures regarding Travelling Allowance, Contingencies and Other Charges during these years were also furnished to them.

6. At the same time, as the discussions in the Legislatures revealed the great interest the members had taken in this very important problem it was considered both necessary and advantageous to have the benefit of their suggestions as well as of the general public in this matter. Accordingly, another general questionnaire was also prepared (Annexure II) inviting suggestions from the public both in the matter of economies in State expenditure and methods of augmenting revenues. In addition

to publishing this in the Gazette, copies were also sent individually to all the members of the Legislature and important and leading members of the public including several retired State Officers. It is however a matter for regret that the response to the questionnaire has been very disappointing, very few replies having been received. To such of those gentlemen as have replied and have spent considerable time and thought over this matter, I take this opportunity to tender my grateful thanks and beg to assure them that in drafting this Report I have given my best consideration to each and every one of the suggestions made by them. A list of gentlemen who replied to the questionnaire is given in Annexure III. A summary of their proposals and action taken thereon has been separately submitted to Government.

7. As it was anticipated that it would take some time for my final report to be submitted to Government an advance copy of the drafts of my suggestions relating to each department and each subject dealt with by me was being sent to Government and in order to see that pending orders on these reports no vacancies arising in the gazetted and non-gazetted cadre (whether ministerial or executive) in their departments or offices were permanently filled up, Government were also requested to issue an *ad interim* circular directing Heads of Departments and other subordinate officers in the matter that without the specific sanction of Government, vacancies should not be filled up permanently and that only temporary arrangements were to be made where absolutely necessary. Government were at the same time requested to specially impress on all officers concerned the imperative need for securing economies in expenditure to the maximum extent possible (without impairing efficiency) and to co-operate with the Economy Officer in this behalf. The response by Heads of Departments to these requests has however generally been disappointing and most of them have replied that no retrenchments were possible in their departments. The natural unwillingness to take the odium for retrenchments and incur dissatisfaction may perhaps be one of the reasons for this almost universal attitude. The task of any officer entrusted with securing economies is unenviable. He not only can expect no co-operation in his efforts but has often to meet with a certain extent of hostility from the very persons

whose active assistance he needs most. But even so, several Heads of Departments have taken great pains and willingly compiled and sent all the information I required, which often involved considerable trouble in collecting. Some of them have also shared with me the anxiety to secure maximum economies and assisted me with suggestions that were most helpful and I wish to take this opportunity to convey my thanks to them.

The Mysore Non-Gazetted Officers' Association have also sent me exhaustive replies to the questionnaire I sent them. The suggestions made by them have been very useful and a large number has been adopted and I wish to take this opportunity to thank them for all the trouble they have taken.

8. Although "Economy Committees" have been established in several Provinces and States in the Indian Dominion also, I was able to get the reports from Madras and Cochin only and wherever the suggestions made by them could be adopted I have incorporated the same. My acknowledgments are due to the Committees and to the Secretaries for kindly sending me copies of their reports.

Procedure Adopted

9. In drawing up this Report, I have followed as far as possible the frame work of previous reports. The figures in the Chapter relating to the present financial position, are based on the Accounts of the State published from time to time and the Notes of the Financial Secretary on the Budgets of each of the years concerned. The Chapter on Service Conditions is similarly based on existing Rules and Regulations and the procedure obtaining in other Governments wherever this information was readily available. In drafting the report regarding each department the information contained in the replies received to the questionnaire, the several administration reports and other published records relating to the work of the departments have been fully utilised. In examining requirements of each department due note has also been taken of the increase of work in the several offices during recent years and my recommendations based thereon.

10. It was at first anticipated that the special work allotted to me could be completed in about four months. But the intervention of the Representative Assembly and the Legislative Council made it difficult for Heads of

Departments to send the replies to the questionnaire in time and actually many Heads of Departments had not sent in their replies even by October. Most of these departments also happened to be large-spending departments and I had necessarily to wait for their replies before making my suggestions. This has necessarily delayed the report involving an extension of the term of the Office. I must also add that for want of time I could not give these large-spending departments the attention which I would have liked to give had the replies been received earlier. A few departments had still not sent their replies at the time of drafting this report and others sent them so late that their consideration had necessarily to be hurried through.

Frame-work of the Report

11. The report is divided into a number of Chapters each Chapter dealing with a definite topic. The first Chapter is "Introductory" and gives a general idea of the problem before us. The second Chapter deals with the present financial position of the State. This Chapter includes a review of the financial position from 1930-31 to 1938-39 thus giving a bird's eye view of the State's finances just prior to the incidence of the War. The financial position from 1938-39 onwards is next examined and an attempt has been made in this Chapter to briefly explain the variations in our Revenue and Expenditure during this ten-year period. The Budget of 1948-49 is next reviewed and the figures compared with those in 1938-39 and in subsequent years and the causes leading to an excess of expenditure over revenues and how these are likely to be affected in the coming years are briefly considered. The third Chapter is devoted to Service Conditions such as Salaries, Establishments including Menial Establishment, Allowances, Pensions, etc. The question of the financial responsibility of Disbursing Officers and the need for the strict observance of the canons of financial propriety are also discussed in this Chapter. The need for larger delegation of powers with a view to speeding up Government business is also examined.

12. The fourth Chapter deals with Contingencies and Other Charges. As the expenditure dealt with in this Chapter is mainly of an optional nature the economies that could be effected under these heads would depend in the last resort on our needs. The fifth Chapter

is exclusively devoted to the detailed examination of the revenues and expenditure of each department and suggestions for economising expenditure and augmenting of revenues. In making recommendations every attempt has been made to incorporate only such of those suggestions as appeared reasonable and practicable. The sixth Chapter deals with the Expenditure relating to capital works not debitable to Revenues. The seventh Chapter is devoted to our Ways and Means position and in this Chapter the question of financing our Capital expenditure both in respect of schemes to which we are already committed and new ones proposed to be taken up is discussed. The eighth Chapter is devoted to our Postwar Schemes, and their implications. The ninth and the tenth Chapters are devoted to conclusion and a Summary of the Recommendations made in the previous Chapters of the Report respectively and a Statement is also annexed (Annexure IV) giving the financial effect of the proposals made therein.

CHAPTER II

Review of the Financial Position

I propose to make in this Chapter a rapid review of the financial position of the State during recent years and to trace briefly the fluctuations in our revenues and expenditure and factors affecting them in coming years as far as they could be foreseen.

2. Although for the purpose of the present review, I propose to take up only the ten-year period from 1938-39, yet, a brief retrospect of the position during the period from 1930-31 when there was a financial depression, to 1938-39, the year just previous to the War, would, I consider, be very useful to see how rapid were the changes in the ten-year period we are reviewing as compared to a similar previous ten-year period. In this connection it may be mentioned that the finances of the State have been reviewed from time to time by the several officers noted below :—

1881-82 to 1888-89	...	Sir K. Seshadri Iyer (published in 1889).
1881-82 to 1893-94	...	Sir K. Seshadri Iyer (published in 1895).
1894-95 to 1903-04	...	Rai N. G. Basu Bahadur (published in 1905).
1895-96 to 1901-02	...	Mr. C. R. Kiernander, Special Auditor-General in Mysore (published in 1903).
1904-05 to 1908-09	...	*Dewan Bahadur Rajamantrapravina* Sri J. S. Chakravarti (published in 1910).
1906-07 to 1916-17	...	Mr. K. L. Datta, Special Finance Officer (published in 1917).
1909-10 to 1918-19	...	Sir M. N. Krishna Rao, Financial Secretary.
1916-17 to 1925-26	...	
1925-26 to 1940-41	...	*Rajasevaprasakta* Sri. A. N. Raghavachar, Financial Secretary (published in 1941).
1929-30 to 1945-46	...	Sri. M. Subramanyam, E.I.C. (Retired Accountant-General, Madras).

A study of these reviews would present a comparative picture of the development of the State during the several decades since Rendition right down to the present day. At the time of Rendition our Revenue was only Rs. 108·51 lakhs and the expenditure Rs. 119·33 lakhs and the Revenues and Expenditure have since increased over ten-fold. A statement showing the growth of Revenue and Expenditure since 1881 is annexed. [Annexure V (1).]

3. *Brief Review of the Finances of the State during the period 1930-31 to 1938-39.*—Just as in India and elsewhere, in Mysore also, the financial position of the State, which had fairly stabilised for the two years previous to 1929-30 had a bad set-back that year which closed with a deficit of Rs. 14·7 lakhs. The position next year was worse due to the worldwide economic depression and consequently a Committee of officials and non-officials was set up during that year for "exploring all possibilities for effecting drastic economies and for improving Revenue." That Committee suggested retrenchments to the extent of Rs. 48 lakhs and improvements in revenue to the extent of Rs. 4½ lakhs and Government while accepting some of these suggestions, effected in addition, an emergency cut in the salaries of officers as a temporary measure which secured a saving in expenditure of about Rs. 6½ lakhs per annum. His Highness the Maharaja and other members of the Royal Family were also graciously pleased to contribute a sum of Rs. 6·24 lakhs to ease the pressure of the demands on the revenues of the State. Subsequently, large increases under Land Revenue, Income-tax, Electrical and Railways and the levy of Excise duties on sugar and matches, the levy of Betting Tax and the revision of the leases of the mining companies enabled Government to meet the increased expenditure during the period in spite of a fall under Sandal Oil and Excise. Consequent on the above, the expenditure which was Rs. 397·89 lakhs in 1930-31 (resulting in a deficit of Rs. 65·54 lakhs) was reduced to Rs. 359·34 lakhs in the subsequent year *and by* 1935-36 *the deficit was completely wiped out.* The expenditure, however, gradually rose from Rs. 359·34 lakhs in 1931-32 to Rs. 404·46 lakhs in 1938-39. During the same period the total Revenue of the State also increased from Rs. 332·35 lakhs in 1930-31 to Rs. 398·28 lakhs in 1938-39. A statement showing the receipts and expenditure under several Heads with the main reasons for the major variations is printed as Annexure V (2). The principal increases of Revenue were under the following heads:—

	Increases as compared to 1931-32 (Rs. in lakhs)
Miscellaneous taxes	17·36
Income-tax	14·56
Electrical Revenue	13·97
Mining Revenue	11·20

	Increases as compared to 1931-32 (Rs. in lakhs)
Railways	9·55
Chamarajasagara and Water Works ...	3·79
Forest Revenue including Sandal Oil ...	4·44
Other miscellaneous heads	4·47
As against this there was a fall of Revenue under —	
Land Revenue	13·54
Excise	6·44
Sandal Oil	1·84
Assigned Tract Revenue	2·44
The expenditure *as compared to 1931-32* showed increases under the following heads :—	
24. Civil Works	9·11
Pensions and Allowances	7·43
Education	6·18
Interest	6·03
Grants for Public Improvements ...	5·61
Irrigation Works	3·78
General Administration	3·03

4. In brief, therefore, during this period although the Revenues showed appreciable increases, these increases were more than counter-balanced partly by increases in ineffective charges such as Interest (Rs. 6·03 lakhs) and Pension (Rs. 7·43 lakhs) and partly by increases in nation-building departments such as Public Works (Rs. 9·11 lakhs), Education (Rs. 6·18 lakhs) and Grants for Public Improvements (Rs. 5·61 lakhs). Actually, there was a deficit in the year 1938-39, the expenditure being Rs. 404·46 lakhs against a revenue of Rs. 398·28 lakhs. The deficit was, however, covered by drawing Rs. 6·97 lakhs from Special Reserves. During this period the Public Debt was almost stationary. It was Rs. 843·29 lakhs in 1938-39 against Rs. 842·41 lakhs in 1930-31. The liabilities on account of Savings Bank, Provident Fund, Insurance Fund, etc., increased from Rs. 377·35 lakhs to Rs. 577·82 lakhs while our capital assets rose from Rs. 1,397·27 lakhs to Rs. 1,810·35 lakhs. A statement showing the Assets and Liabilities in 1930-31, 1938-39 and during the recent three years is also enclosed (Annexure VI).

5. *Review of Finances from 1938-39 to 1948-49.*— Although our Revenues during this period improved enormously having reached the peak figure of Rs. 11·77 crores in 1946-47 and yielded substantial surpluses which enabled additional contributions being made to Loan Sinking Fund, Railway Depreciation Fund, etc.,

besides contributing to the Special Reserve for Post-war Reconstruction and Mining Revenue Capitalisation Fund, the increases in expenditure under Dearness Allowance, Revised scale of pay, subsidy for foodgrains and implementation of post-war schemes began to make themselves felt with the result that from a comfortable surplus of Rs. 285·78 lakhs in 1944-45 the position has since very badly deteriorated and the Budget of 1948-49 anticipates an increase of expenditure of Rs. 267·42 lakhs over receipts.

6. The Second World War which shook the entire world began in September 1939 and although hostilities with Germany ceased on the 8th May 1945 and with Japan on the 14th August 1945 we are still not free from their effects and normal conditions appear to be nowhere near. Taking the index of prices of (September) 1938-39 as 100, the present index of many articles has increased three to four times and this is reflected in the inflated receipts and expenditure of our present-day Budgets. Provision for items under "Expenditure Connected with the War" still continues. There is also a huge allotment of Rs. 1·52 crores on account of dearness allowance and in addition basic scales of salaries have had to be revised resulting in an increase in expenditure of Rs. 1·5 to 2 crores. Large subsidies had to be paid on account of food control operations and the experiment of decontrol having failed we are re-imposing controls and we would again have to subsidise foodgrains involving a further heavy drain on our resources. The problem we are now faced with, therefore, is a huge one. While the previous Retrenchment Committee had to consider measures for covering a revenue deficit of Rs. 52·11 lakhs we have now the stupendous problem of an immediate deficit of Rs. 267·42 lakhs with an anticipated fall in Revenue of over Rs. 3·5 crores, consequent on the policy of prohibition proposed to be adopted and the anticipated shrinkage in Revenue under several heads including Gold Duty. On the other hand, we have to meet increasing demands for expenditure on account of development schemes under Education, Agriculture, Medical, Public Health and Sanitation, Communications, etc. The problem is how to balance these.

7. Annexure VII gives a statement of receipts and expenditure under the several heads since 1938-39, giving reasons for the variations.

Revenue.

8. The total revenue which was Rs. 398·28 lakhs in 1938-39 went up to Rs. 1,176·82 lakhs in 1946-47 (Accounts) and is estimated at Rs. 1,068·17 lakhs in the Budget of 1948-49. *It looks therefore as if we have already reached the years of Peak Revenue and the decline has commenced* and we can only hope that we will not have to face a depression as bad as the one 20 years ago. The increases under revenue till 1946-47 under several heads were abnormal, and mainly due to the continued existence of the several factors which accounted for inflated receipts during the War period. In addition several new taxes and increases in rates of existing taxes were partly responsible for this phenomenal increase. The statement below indicates briefly the main increases under the several heads and the reasons for the same. The heads of Revenue are arranged in the order of increase.

Sl. No.	Heads	1938-39 (In lakhs of rupees)	1948-49 (In lakhs of rupees)	Increase (In lakhs of rupees)	Reasons for increase
1.	III Excise ...	48·66	210·00	161·34	In spite of prohibition having been introduced in three districts and a five-mile dry belt in border areas adjoining Madras Presidency where prohibition has been introduced, there has been a huge increase under this head mainly due to increase in rentals. The current year's Revenue also includes the Excise Revenue of the Civil Station. The increase in Revenue is also partly due to increases in rates of duty on arrack, opium, ganja and tree rent on toddy trees. The rates in 38-39 and now are noted below :—
2.	IV Income-tax...	28·20	144·35	116·15	Increase due to (1) Income-tax in Civil Station being included under this head, (2) Increase in rates and (3) Increased Income-tax and Super-tax from business. A Comparative Statement showing the increase in rates as compared to 1938-39 is furnished in (Annexure VIII.)

	Rate of Duty 1938-39	Rate of Duty 1948-49
	Rs.	Rs.
Arrack ...	6 8 0	7 8 0 per gallon
Opium (issue price) ...	85 0 0	175 0 0 per seer
Ganja ...	27 8 0	65 0 0 per seer
Tree Tax—		
Date ...	3 0 0	4 0 0 per tree for 4 months.
Cocoanut...	5 0 0	6 8 0 per tree for 6 months.

Sl. No.	Heads	1938-39 (In lakhs of rupees)	1948-49 (In lakhs of rupees)	Increase (In lakhs of rupees)	Reasons for increase
3.	IV-A Miscellaneous Taxes.	17·86	107·94	90·68	The following new duties have been levied since May 1943 :— Duty on: (*a*) Tobacco. (*b*) Vegetable products. (*c*) Coffee. (*d*) Tea. (*e*) Cess on sugarcane. The revenue from these account for Rs. 91 93 lakhs. The rate of duty on sugar has also been increased from Rs. 2 per cwt. to Rs. 3 per cwt. The rates on tobacco, coffee and tea have been increased from March 1948. The cess on sugarcane was levied from 24th July 1948 and is calculated at a rate not exceeding Rs. 6 per ton.
4.	VIII-A Duty on Gold.	...	90·00	90·00	This is the proceeds of a duty of 3/4 of the amount by which the price of gold exceeds Rs. 100 an oz. or Rs. 40 a tola Although the out-put of gold has fallen from 320,906 ozs in 1938-39 to 171,781 ozs. in 1947-48 the price of gold has risen from Rs. 36 per tola in 1938-39 to more than Rs. 116 per tola in 1948 49. As conditions get stabilised the price of gold would go down and our receipts from this source would thus contract.
5.	IX Interest ...	19·72	55·82	36·10	Our investment in securities, fixed deposits, etc., has increased from Rs. 554·47 lakhs in 1938 39 to Rs. 1,666·37 lakhs in 1948-49. During this same period our Public Debt and Savings Bank and other Deposits and funds have increased from Rs. 1,421·11 lakhs to Rs 2,723·62 lakhs and our interest payments has increased from Rs. 58·40 lakhs to Rs 86·79 lakhs.
6	VIII (1) Sandal oil	8·76	33·00	24·24	The increase is mainly due to increased prices. The quantity of oil produced and sold in 1938-39 and now is:

	Quantity		Revenue	
	Produced lbs.	Sold lbs.	Gross (In lakhs of rupees)	Net
	2	3	4	5
1938-39 ...	128,245	128,314	10·18	8·76
1946-47 ...	166,693	109,770	54·44	51 83
1948-49 (Estimate) ...	121,000	120,000	34 99	33 00

The rate for Sandal Oil which was Rs. 10·7 per lb. in 1938-39 was Rs. 39·7 per lb. in 1947-48.

7.	XXIV Railways	25·28	48·49	23·21	The increase is partly due to increased rates and partly due to increased traffic. The number of passengers carried and quantity handled in 1938-39 and in 1945-46 are given below :—

	1938-39	1945-46
Number of passengers carried ..	7,426,270	15,851,295
Total tonnage of goods carried ..	963,585	1,046,538

The rates have increased as under :—

	1938-39 Rs.		1947-48 Rs.	
I Class ...	0 1 6	On Poona line	0 2 6	
	0 1 3	Mysore		
II Class ...	0 0 9	On Poona line	0 1 6	
	0 0 6	Mysore		
Inter ...	0 0 6	Poona	0 0 9	Mail
			0 0 7½	Ordy.
III Class ...	0 0 3½	Mail	0 0 5	Mail
	0 0 2½	Ordinary	0 0 4½	Ordy.
	0 0 6	Trams		

Sl. No.	Heads	1938-39 (In lakhs of rupees)	1918-49 (In lakhs of rupees)	Increase (In lakhs of rupees)	Reasons for increase
8.	I Land Revenue	116·09	135·74	19·65	The increase under assessment on lands is only Rs. 14·35 lakhs. There has been an increase of Rs. 1·24 lakhs under temporary water-rate and Rs. 2·28 lakhs under other items mainly due to sale of lands, etc. It may be stated that our rates of Land Revenue have not been raised although the value of food grains and other produce from land has increased two to three times and in some cases, *e.g.*, coffee and cocoanuts, the increase is over ten times. Resettlements of several taluks which are over due have not been taken up yet.
9.	II (*b*) Other Forest Revenue.	17·49	37·00	19 51	The increase is mainly due to increase in rates and to a small extent due to increased exploitation. The quantities exploited in 1938-39 and 1946-47 are noted below:— 1938-39 1946-47 Timber ... 8,66,307 Cft. 9,58,551 Cft. Bamboos ... 19,491 tons 20,442 tons
10.	V Stamps ...	18·30	37·41	19·11	The increase is due to (1) increase in the value of property, (2) increase in rates and (3) increase in Court fees.
11.	VII Assigned Tract Revenue.	0·89	17·98	17·09	This represents the Revenue from April 1947 to August 1947 when this tract was retroceded to the State and the receipts and expenditure were thereafter merged in the State Revenue under corresponding heads.
12.	XXV-A Electrical Receipts.	46·69	62·93	16·24	The increase under gross receipts due to the increased H.P. generated. The increase in revenue is partly set off by increased expenditure due to revision of pay, cost of meters to be fixed to new installations, increased pension fund contribution due to increases in pay and generally increased works expenses. Although working expenses have increased considerably there has been no corresponding increase in the rates levied.
13.	XIII Miscellaneous.	6·95	17·55	10·60	The increase is mainly due to anticipated receipts from sale of lands on account of industrial suburbs.
14.	XXIX Industrial Works.	1·60	8·48	6·88	The increase is mainly due to increased profits in several Government Concerns.
15.	VI Registration.	3·05	7·50	4·45	The increase is due to increase in the number of documents registered and is partly due to the surcharge levied.
16.	XXV Irrigation.	1·10	5·36	4·26	The increase is due to increased collection of water rate under Irwin Canal.
17.	XX Education...	2·80	6·17	3·37	The increase is under fees and examination fees.
18.	XVII Medical..	0·96	3·73	2·77	The increase is under Hospital receipts.
19.	XIV Courts of Law.	0·68	2·98	2·30	The increase is mainly under fees forfeitures and miscellaneous.
20.	XXII Industries and Commerce.	0·37	1·65	1·28	The increase is due to increased revenue under fees for registration of companies and new items like broadcast license fees.

Note.—The increases under other heads which are below one lakh have not been noted or commented upon.

9. The receipts are less than the 1938-39 level under the following heads :—

	(Rs. in lakhs.)
Miscellaneous	9'77
K.G.F. Water Works	0'44

Forecast of Receipts.—Although the decline in Revenue has begun, the revenue is still inflated and as the conditions created by the War begin to disappear and tend towards normalcy we should be prepared for a further reduction. The following are some of the heads where large reductions must be anticipated :—

		(Rs. in lakhs).
1	*Excise.*—	
	If the policy of prohibition is implemented and prohibition extended to the entire State, a reduction of almost the entire revenue we are now getting except about Rs. 8 lakhs which we may get on account of duty on Alcohol used for Power and Industrial purposes and Foreign liquor should be anticipated ...	—202'00
2	*Duty on Gold.*—	
	This is a source of Revenue which would get extinguished with the reduction in price of gold. Our gold resources are also not unlimited and we are mining deeper and deeper. Labour costs are also increasing. We must therefore be prepared for a fall under this head	—50'00
3	*Interest.* —	
	The increased receipts under this head are due to increased investments in securities, fixed deposits, etc., on account of Reserves and Special Funds created during the War and the 3 per cent loan floated in 1946. These investments would have to be sold to meet our commitments on capital account and Ways and Means commitments and a reduction of Rs. 16'00 lakhs under this head is therefore inevitable	—16.00
4	*Assigned Tract Revenue.*—	
	This will cease as the Revenue heads are all merged under corresponding revenue heads...	—17'98
5	*Sandal Oil.*—	
	The prices of oil are already going down. A reduction of Rs. 15 lakhs may be anticipated under this head. (The present increase over 38-39 level is Rs. 24'24 lakhs) ...	—15'00

		(Rs. in lakhs.)
6	*Railways.*— The increase is mainly due to increased rates and partly to increased traffic. The rates have since been reduced and the old 2nd Class abolished. Some loss of Revenue on this account must be anticipated. Again with the restoration of Bus Services and Lorry traffic the net receipts would also come down	—13·49
7	*Other Forest Revenue.*— The present increased receipt is due to increased prices secured. The prices are coming down and we may anticipate a fall of Rs. 10 lakhs under this head. (The present increase is Rs. 19·51 lakhs. Measures for increasing Revenue have been separately suggested but these have not been taken into account while calculating this fall)	—10·00
8	*Stamps.*— The present receipts may not keep up. We must be prepared for a fall of about 5 lakhs (unless the rates are increased) ...	—5·00
9	*Miscellaneous.*— The increase is on account of sale of Trust Board lands. This is not a recurring item. Further it has been suggested that both the grant to the Trust Board and the receipt s from sale of lands be accounted for under Loans and Advances	—15·00
10.	*Registration.*— As in the case of stamps the revenue is bound to shrink unless the rates are increased ...	—2·50
	Total anticipated fall in Revenue ...	—346·97

I have not provided for any fall under any of the heads noted below. If the suggestions for enhancement of Revenue made in this Report are accepted there will on the other hand, be increases of revenue under these heads :—

1 *Income-tax.*—

Our rates are lower than in Indian Dominion. These are proposed to be stepped up. The surcharge levied this year is expected to more than cover any fall under this head due to reduction of business profits.

2 *Miscellaneous taxes.*—

It is unlikely that the existing rates of duty on Tobacco Vegetable Oil Products, Coffee or Tea would be reduced. Regarding duty on sugar it is doubtful if the additional duty recently levied would be continued. Any reduction here would however be made up by increase in production and I therefore think that we need not expect any violent fluctuations under this head except if the rates are altered. If anything there should be a progressive increase in Revenue till we reach the stage when our collections exceed the figures we could retain under the agreement with the Government of India.

3 *Land Revenue.*—

No reduction is anticipated in view of larger receipts under Assessment, Quit-rent and Miscellaneous items. Proposals have also been made for increase in Water rate and enhancement of rates for Coffee, Tea and Cardamom. The levy of a surcharge is also suggested pending revision of settlement which is overdue.

4 *Irrigation.*—

The receipts under this head are expected to show a gradual increase.

With the anticipated reductions as above of about Rs. 3·47 crores our existing revenue would thus diminish to about Rs. 7·21 crores without taking into account the additional revenues to be obtained by levy of taxes such as Sales-tax, etc., and increases in the rate of existing taxation. (It may however be noted in this connection that Sri M Subramanyam, retired Accountant-General, Government of Madras, who reviewed our finances some time ago expected our post-war revenue to stabilize only at Rs. 5·48 crores against Rs. 7·2 crores which I anticipate.)

The revenues from existing sources would therefore have to be stepped up and additional taxation imposed so that the total revenue thus realised would just exceed the level of expenditure that may be decided upon leaving a small surplus.

10. The Revenue expenditure of the State which was Rs. 404·46 lakhs in 1938-39 is budgeted during the current year at Rs. 1,372·59 lakhs (including contribution to funds of Rs. 37 lakhs)* Out of this Rs. 235·0 Expenditure.

* The following are the contributions to the several funds.

	Rs. in lakhs
Road Fund	17·00
Irrigation Development Fund	15·00
Inter Village Road Fund	3·00
Industrial Development Fund	2·00
Total ...	37·00

lakhs is proposed to be debited to funds or Reserves as noted below :—

	(Rs in lakhs.)
Irrigation Development Fund ...	40·45
Road ,, ...	38·82
Special Reserves	155·73
Total ...	235·00

The increase in Expenditure during the period 1938-39 to 1948-49 is therefore Rs. 968·13 lakhs against an increase in Revenue during the same period of only Rs. 669·89 lakhs. There is thus a large gap of nearly Rs. 3 crores between Revenues and Expenditure even as things stand and without the deterioration in the Revenue position anticipated above.

Large increases of Expenditure as compared to 1938-39 appear under the following heads :—

Heads	1938-39	1948-49	Difference	Dearness Allowance (1948-49)	Net Increase
					(In lakhs of rupees)
1. Education ...	54·00	275·12	+221·12	13·45	207·67
2. Grants for Public Improvements.	9·35	119·67	+110·32	·59	109·73
3. Army ...	15·67	83·26	+67·59	2·47	65·12
4. Police ...	20·69	98·04	+77·35	22·62	54·73
5. Medical ...	17·12	75·21	+58·09	8·05	50·04
6. Irrigation ...	14·34	62·45	+48·11	1·06	47·05
7. Agriculture ...	4·06	50·41	+46·35	3·28	43·07
8. 32 (b) Expenditure connected with War.	...	32·89	+32·89	2·47	30·42
9. Interest ...	58·40	86·79	+28·39	...	28·39
10. Public Health ...	2·61	24·41	+21·80	2·03	19·77
11 Land Revenue ...	27.98	48·30	+20·32	7·70	12·62
12. Veterinary ...	3 60	21·42	+17·82	2·93	14·89
13. Pensions and Allowances.	25·33	38 06	+12·73	...	12·73
14. Palace ...	26·16	37·25	+11·09	..	11·09
15. General Administration.	17·61	36·76	+19·15	7·79	11·36
16. Civil Works ...	14 49	29·33	+14·84	3·10	11·74
17. Forest ...	14·18	27 72	+13·54	3·14	10·40

Note.—Increases below Rs. 10 lakhs have been omitted.

The reasons for the increases have been briefly indicated in Annexure VII and have been examined in detail while considering proposals for economy in each department.

11. The following are a few of the major factors that have contributed to the large increase in expenditure :—

(i) The recent upgrading of scales of pay is one of the largest single items that has contributed to a *permanent* increase in expenditure. This is expected to cost Government about Rs. 1·5 to 2 crores. The exact figure is not determined yet since the allocation statements of many departments in the revised scales have not yet been approved and it is only after this is done that we will know what the actual increases are. We should also be prepared in the coming years for further increase on this account on account of increments earned although this would be partly set off by retirements. This is a permanent increase and will not be affected by the return of conditions to normal.

(ii) Yet another cause for increases in expenditure is the increased cost of supplies and services. Our paper, our stationery, and our furniture cost easily more than three times as much as before. The maintenance of our roads, the construction of new roads, similarly the maintenance of our buildings and the construction of new buildings, cost of medicines and medical and sanitary equipments all have gone up tremendously in price and the provision in our Budget for these has therefore necessarily increased. The provision under these items may however be expected to decrease as price levels come down.

(iii) The implementation of our development schemes is also responsible for increases in expenditure, most of it permanent recurring expenditure. The Finance and Co-ordination Committee of the Economic Conference recommended to Government the taking up of schemes involving a recurring cost of Rs. 675·80 lakhs and a non-recurring cost of Rs. 2,254·13 lakhs *spread over*

five years. Out of these, Government have already sanctioned several schemes with a large recurring expenditure. Although some of these have not yet been implemented and even those taken up are yet in the initial stages, when these schemes are in full swing, the additions to recurring expenditure would be much more than the original anticipations since scales of pay, etc., have recently been revised. I regret I could not get even a rough estimate of the increase in expenditure in the current year's budget on this account since the expenditure on these schemes that was being shown separately till now has been merged in the expenditure of the concerned departments. The financing of the expenditure relating to these schemes has been discussed in detail in Chapter VIII.

(iv) Another factor increasing our present year's expenditure (budget) is the inclusion of the charges relating to the administration of the Civil Station under the heads concerned. Formerly, only the net surplus of Assigned Tract Revenue after providing for all expenses and after reserving the proportionate surplus that was allowed to be retained by the Civil and Military Station, was being made over to us. The highest net Revenue on this account was Rs. 85·87 lakhs in 1947-48. The current Budget also includes a sum of Rs. 17·98 lakhs being the surplus for the period, from 1st April 1947 to 25th July 1947 before the tract was handed over to the Mysore Government. After that date the receipts and expenditure of the Civil Station have been amalgamated with the receipts and expenditure of the concerned departments in the State Budget. The surplus revenue of Civil Station was mostly due to increased receipts on account of Excise and Income-tax but as Excise Revenue will disappear with the introduction of prohibition and income-tax revenue would shrink with the reduction in the profits of business consequent on fall in production and increased cost of manufacture due to rise in wages

and raw materials, etc., much of the surplus that we were getting from the Civil Station would disappear while the expenditure would continue and may perhaps even increase unless immediate steps are taken to effect necessary economies in the expenditure of the Civil Station.

(v) *Dearness Allowance.*—Consequent on the War and the tremendous increase in prices all round, Dearness and High Price allowances had to be given to all officers and officials on Rs. 800 and below. This expenditure was being shown under a separate head "32(b) Expenditure Connected with the War", but from the current year it is included in the departmental budgets concerned. Dearness and High Price allowances alone now account for an increase of Rs. 152·65 lakhs [*vide* Annexure IX (2).] It is however anticipated that as conditions improve the quantum of allowance will get reduced until the allowance finally extinguishes itself. The Committee for Revision of Salaries anticipated that the level of prices would stabilise at an index of 160-180 (Base 1938-39=100) and on this basis "levelled up" the basic pay of several appointments taking also various other aspects. While passing orders on the report, Government levelled *up still further* the scales recommended by the Committee and we may not be far wrong if we say that the present scales generally represent a 100 per cent rise over previous scales in many cases. Dearness allowance is being given in addition to these increases in basic pay and so it may be assumed that as prices fall down the scales of dearness allowance could be reduced till finally when the price level reaches 180-200 dearness allowance may be abolished altogether. The question of reduction in *scales of pay* could be taken up only if the index of prices falls much lower.

(vi) The several other items that were formerly charged to the head "32(b) Expenditure Connected with the War, 1939" have since been transferred to the concerned heads

except charges relating to the Food Department, Civil Supplies and House Rent Control. How much of the expenditure so transferred to the several departments is likely to become recurring and how much is of a temporary or of a casual nature and would disappear with the return of conditions to normal is another disturbing factor and this has been dealt with while reviewing the expenditure of the several departments in Chapter V. The items now included under "32(b) Expenditure Connected with Food and other Control Measures" (Rs. 32·87 lakhs) will disappear only when the need for these controls cease.

12. I have not included in the above, charges to be borne by the revenue account on account of subsidies for foodgrains. When food controls ceased last year it was expected that the terrible drain on our resources on this account would be a thing of the past. But unfortunately controls have come back and we would have to provide a considerable sum this year and next owing to the high prices for acquisition of foodgrains. Even if half the subsidy on *imported* food grains is met from the Government of India the subsidy on local foodgrains would itself, it is understood, require about one crore of rupees. It is hoped that at least in the future years conditions would improve on account of Anti-inflation and Grow More Food measures proposed to be undertaken and that the local rates would be so fixed that no subsidies for foodgrains would be payable on their acquisition should controls continue. In any event, for purposes of balancing future Budgets the subsidy would have to be left out of account and treated as extraordinary expenditure outside the Revenue account *and met from Reserves which should be strengthened as far as possible by procuring surplusses in the Revenue account.*

13. Of the items referred to above that are mainly responsible for the large increases in expenditure the revision of scales of pay (Rs. 1·5 crores), the implementation of our development schemes and the increase in expenditure on account of the Civil Station are permanent items and have to be provided for in future Budgets also. The increases on account of Dearness Allowance and in the cost of supplies and services are however items that would disappear gradually as

circumstances get normal. These would be helpful in meeting normal increases in expenditure on Revenue account.

14. With regard to the progress of expenditure in the coming years I am afraid no useful forecast can be made. If a good bit of the economy proposals now made are accepted there would doubtless be an immediate reduction of expenditure but if past experience is any guide at all, the succeeding years will again register increases. This is inevitable as no Government can be *static* and Government would always be anxious to push through development schemes invariably involving additional expenditure. It would be idle to speculate regarding the volume or extent of such increases and try to provide for these now. Our business at present is only to secure such economies in expenditure as are immediately necessary which coupled with the increases in Revenue that are suggested would restore Budgetary equilibrium.

15. The immediate gap between receipts and expenditure is about Rs, 6·55 crores as noted below :—

Current year's deficit, *i.e.*, excess of Expenditure over Revenue :—

		Rupees in Crores.
(13·73 – 10·68) or	...	3·05
Fall in revenue anticipated	...	3·50
Total	...	6·55

This would increase correspondingly if provision is to be made for additional items of expenditure on account of our development schemes including Malnad Improvement. The imperative need for securing Balanced Budgets has already been emphasised and it has been pointed out that in a State like Mysore which has no currency of its own we cannot go on incurring deficits without recourse to borrowing.

16. Government would thus have to make up its mind as to how this gap is to be made up, how much of this is to be covered by additional taxation and how much by reduction in expenditure. If the policy of Prohibition which alone would be responsible for a loss in Revenue of nearly two crores of rupees could be postponed to this extent our work would be considerably easier. This is a matter for the consideration of Government. Regarding reduction in expenditure this has to be

secured (1) by economies in Service heads to the maximum extent possible, and (2) by postponing all unnecessary or unessential development schemes the utility of which would be doubtful.

17. Annexure IX (1, 2 and 3) shows the increases in expenditure on Salaries, Establishment, Travelling Allowance and Contingencies, as compared to 1938-39. As the gap to be covered is of the order of Rs. 6·55 crores any extent of economy under Salaries and Establishment only or even including Travelling Allowance and Contingencies will not be adequate to cover the deficit. We will therefore have to look for substantial reductions in expenditure under other charges and make up the balance by augmenting Revenues. The measures necessary in respect of these have been discussed in the coming Chapters.

18. In view however of the time lag that is inevitable in implementing the several economy measures it would be absolutely necessary to see that the proposals for increase in Revenue are immediately pressed into service. The most essential thing is to secure Balanced Budgets and this has to be done at all costs.

CHAPTER III

Service Conditions

(a) *Salaries—Gazetted Officers*

Increase in cost.

The expenditure on the gazetted staff in our service which was Rs. 28·08 lakhs in 1931-32, Rs. 33·44 lakhs in 1938-39 was Rs. 57 lakhs in 1946-47 and is budgeted at Rs. 63·84 lakhs (including Civil Station) for 1948-49. It may however be stated that compared to salaries in the former British India and even the present Dominion our scales of salaries are much lower and the Retrenchment Committee of 1931 observed :—

> "It cannot be said, with justice, that the scales of salaries which have obtained for many years in the case of appointments on the general cadre err on the side of undue extravagance."

If this were so in 1931, the position is definitely worse now as the cost of living has increased nearly three-fold while the scales of salaries have generally remained unaltered. But while perhaps our salaries are generally less than in the Indian Dominion, the jurisdiction of an officer here is also comparatively smaller. One method therefore of effecting economies is to increase the jurisdiction of officers and reduce the number where there has been latterly a progressive increase partly due to expansion of existing departments and partly to the creation of new departments, *vide* Statement below :—

Year	Expenditure in lakhs	Number of Officers drawing				
		Below Rs. 250 per mensem	Between Rs. 250 and 449 per mensem	Between Rs. 450 and 799 per mensem	Rs. 800 and above per mensem	Total
1938-39	33·44	278	266	162	83	789
1943-44	39·71	357	345	148	88	938
1944-45	48·53	500	396	171	93	1,160
1945-46	51·35	540	464	167	97	1,268
1946-47	57·00	564	479	196	121	1,350
1947-48 (Revised) ...	61·93 *	(Figures not readily available)				
1948-49 (Budget) ...	63·84 *					

*Inclusive of Civil Station, Bangalore.

2. A statement showing the number and the cost of the gazetted staff of the various departments during the last several years is enclosed, *vide* Annexure IX (1). It is seen from this statement that large increases have occurred under General Administration, Army

and Elementary Education. Noticeable increases have also occurred under Income-tax, Public Health, Agriculture, Veterinary, Sericulture, Industries and Commerce, and Rural Reconstruction, the increase in the cost being also due to increase in numbers. Even making allowances for some necessary increase on account of the expanding activities of the several development departments, it is apparent that the increase is rather high and substantial reductions ought to be possible in the large number of additional posts that have been created for some reason or other. There have also been during this period large expansions in the Police and Military Departments and these should be capable of considerable reduction. Heads of Departments are however most reluctant to suggest even obvious economies and to curtail establishments although rendered superfluous by a shrinkage in the volume of work for which the staff were sanctioned and while the general feeling is that reductions are possible, very few officers would like to commit themselves in writing to that effect. The question of retrenching the surplus officers in each department and economising expenditure has been dealt with in detail in Chapter V.

Committee for scrutinising requisitions for expansion of personnel.

3. But it is not enough if economies are effected in the immediate present. It is also necessary that all proposals for increased personnel are carefully scrutinised before sanctions are accorded. Although at present the Finance Secretariat is doing this, it cannot be stated that its control has been adequate or effective. After all, this Secretariat is only a limb of Government and if the Head of the Department and the administrative Secretariat make common cause, it would be very difficult for the Financial Secretariat to resist increases in expenditure however unnecessary or extravagant they may be. The Cochin Retrenchment Committee has accordingly suggested the constitution of a small committee to scrutinise requisitionsfrom Heads of Departments for expansion of personnel. I entirely agree with them and I think that a Standing Committee with the Efficiency Audit Officer and Financial Secretary and with one or two members of the Public Accounts Committee could usefully be constituted for scrutinising all requisitions for additional establishments to prevent unnecessary increases.

Maintenance of Efficiency.

4. Regarding maintenance of efficiency in the services, The Bengal Administration Enquiry Committee recommended (para 215) "a more *robust attitude* being

adopted to those civil servants who are adjudged to be inefficient." They say (para 216) "so far as efficiency bars are concerned, the passing of the bar should depend not on the absence of an unsatisfactory report but on the positive statement of the reporting officer that the service of the officer reported on has been such as to justify the passing of the bar." They add (para 217) "that cases of persistent inefficiency which the officer concerned had made no serious attempt to remedy should be treated by dismissal from the service or at least by compulsory retirement." If our standards of efficiency are to be raised and Government personnel reduced to the minimum necessary consistent with efficiency, remedies as suggested by the Bengal Administration Enquiry Committee are to be adopted. These remarks apply with equal force in respect of the ministerial staff.

Inspection of Offices by the presiding Officers.

5. Under standing orders (*vide* para 93 of the Manual of General Circulars) every officer should inspect his office annually and submit a report. I do not think many presiding officers are following this rule and in many cases the inspection if any that is conducted is merely formal. It would be desirable to insist on a regular inspection being done and also to ask these officers to take that opportunity to review the scale of existing establishment, the need for its continuance and the scope for reducing it. These inspection reports should be reviewed by the Head of the Department and a brief review sent to Government. If comparative statistics of the number of papers received and dealt with are also collected and reviewed during such inspections it would facilitate examining if any establishments are continued unnecessarily. A vigilant watch is always necessary as accretions to sanctioned establishments are continuously taking place much of which is avoidable.

Recruitment of Probationers.

6. In the course of my examination of the staff position in a few departments, I got the impression that the number of Probationers that were awaiting absorption in some of them was somewhat large as compared with the strength of the Gazetted Cadre of the Department and the number of permanent vacancies available therein, thus rendering necessary the creation of unnecessary supernumerary posts. The simultaneous absorption of all the Probationers was also likely to result in considerable hardship to deserving members of the subordinate service eligible and looking forward for

promotion. Apart from the need to satisfy to a reasonable extent the legitimate aspirations of the subordinate services for promotion to gazetted rank in the interests of contentment and efficiency of the non-gazetted staff, even in the interests of probationers themselves it would be more advantageous if the probationers are recruited at periodical intervals and their number restricted to the minimum necessary. The recruitment of a large number of probationers in a department *at one time* would result in having a number of officers of about the same age, service and standing who could not all get chances of promotion to higher grades simultaneously and many of them would therefore have to stagnate in a lower grade while a few of their more fortunate colleagues of equal standing would be in a higher grade. This will necessarily lead to discontent which is bound to affect the efficiency of these officers adversely. Again by spreading recruitment over a number of years, the cost is more evenly spread out and what is more we can recruit to Government service the best men of each year. If larger numbers are recruited at one time a good number of men of average or perhaps less than average ability would come in. Reference is invited in this connection to the general procedure mentioned in paragraph 215 of the Manual of General Circulars and Standing Orders (extracted below) in regard to recruitment of probationers. These rules have been evolved after considerable experience and it is desirable that they are followed :—

> "A programme of recruitment to the Gazetted and upper subordinate grades of the service will be drawn up once every two years. The vacancies likely to arise within 3 years following will be computed and after setting apart of a sufficient number of appointments for deserving men in the lower ranks, recruitment will be made for the remainder by the appointment of Probationers."

Training of Probationers.

7. The importance of ensuring that every Probationer is given adequate training in the several branches of work of his department cannot be sufficiently impressed. No doubt, even under present arrangements programmes of training are drawn up for these probationers, which they are expected to get through before confirmation. As a matter of fact, however, the departmental officers under whom they are posted for training are themselves busy officers with plenty of work of their own and in several cases have little time and

inclination to devote particular attention to the training of the probationers and the training is thus apt to be neglected. It used to be stated that probationers were getting pension at the wrong end of service. As the usefulness to the service of any officer depends on his having a thorough knowledge of the Rules, Practice and Procedure of the Department he is to serve in, it is necessary to provide a regular course of administrative training to these officers.

8. It is during this formative stage of an officer's service that it is necessary to instil in him the necessary ideas of honesty, hard work, discipline, thoroughness, loyalty, and unfailing courtesy to those that come in contact with him, qualities that will make of him a good and successful officer. The need for carefully selecting the officers under whom probationers are to be trained is therefore very great. It has been suggested by the Madras Retrenchment Committee that there should be a large recruitment of agricultural graduates in the co-operative departments so that when these officers go to rural parts they should be able to advise the raiyats in matters relating to agriculture. This is a very useful suggestion and may be adopted here also. Such graduates would be very useful in the Revenue Department also.

9. (*b*) *Establishment* (i) *Superior Services*

Growth of expenditure on establishments.

The bulk of the expenditure of the State is on establishments and if the expenditure now being incurred on dearness allowances were to be added, the total expenditure would come up to about half the present Revenue of the State. In departments like Education, Police and Military, a very large portion of the expenditure is only on establishments. The increase in the expenditure under establishments has been particularly large in recent years, *vide* statement below :—

		Rs. in lakhs.
	1932-33 ...	131·45
	1938-39 ...	151·63
Excludes Dearness Allowance	1942-43 ...	179·46
	1945-46 ...	230·31
	1946-47 ...	265·80
	1947-48 (Revised) ...	355·26*
	1948-49 (Budget) ...	396·10*

*Increase partly due to Civil Station, Bangalore.

While the increase between 1938-39 and 1946-47 appears to be mostly due to the expansion of the services and

the temporary establishments entertained in connection with War work, Controls, etc., the further increase subsequent to 1946-47 is in the main due to the revision of scales of pay that was sanctioned by Government in respect of all non-gazetted establishments.

Dearness Allowance.

10. In addition to pay, Dearness Allowance is also being given on a graduated scale. When, consequent on the war, prices began to increase, a Dearness Allowance at the rate of Re. 1 was given from the 1st September 1941 to employees drawing Rs. 25 and less. As the position got worsened, the rates of allowance as also the classes of employees to whom it was to be given had to be gradually raised and since 1st January 1945 Dearness Allowance and High Price Allowances are being given to all Government servants drawing a salary of Rs. 800 and below and the total cost on account of Dearness and High Price Allowances now amounts to about Rs. 152·65 lakhs per annum [Annexure IX(2)]. *With the shrinkage in revenue consequent on the introduction of prohibition and the anticipated fall under other heads like Gold Duty, Forest, etc., bringing the total Revenue down to about Rs. 7·2 crores, the present scale of expenditure on salaries and establishment including Dearness Allowance amounting to Rs. 6.09 crores cannot be sustained.* The question therefore of effecting all possible economies in expenditure on salaries and establishment is of the utmost importance. As the scales of pay were, however, revised only recently on the recommendations of a committee specially constituted for the purpose, there is little scope for securing any savings by lowering the existing scales.

Reduction of expenditure can be secured only by a reduction in numbers and replacement of higher paid posts by lower paid ones.

11. Any reduction in expenditure would therefore have to be effected by a curtailment in the number of posts in the various departments of Government, allowing for the retention of only the minimum number of hands absolutely necessary for carrying on the normal work of the departments without loss of efficiency. *As far as possible also posts on higher scales of pay would have to be replaced by those on lower scales of pay.* The Government have fixed generally a proportion of 1 : 5 between I grade and II grade clerks in each department. This should be insisted on and wherever possible I grade clerks replaced still further by II grade ones. As the whole-hearted co-operation of the Heads of Departments concerned is necessary to achieve this, a circular letter (*vide* Annexure X) was issued by Government on 1st

July 1948, at my instance, requesting Heads of Departments to formulate proposals for effecting a reduction in the expenditure on establishment and other charges by at least 20 per cent, even a higher percentage of reduction being deemed possible in respect of menial staff. The response from the Heads of Departments to the above call has as already stated been very disappointing.

Fixing of establisment on the basis of turn-over of work.

12. In these circumstances, I have been reluctantly compelled to make suggestions for retrenchments in establishment based on such information as was furnished by Heads of Departments and I have indicated in Chapter V the extent of reductions considered feasible in respect of each individual department based on the statistics of business done and the nature and distribution of work among the staff and other relevant circumstances in each office. In doing this I have also taken into consideration the fact that mere statistics of business done in any office is not always a correct guide to assess the amount of work to be done, as the time required for disposal of a reference varies very considerably with the type of the case dealt with. For instance, a complicated appeal or communication raising an important question of policy or discussing a new development scheme would take quite a considerable time for disposal while an ordinary routine communication or one that needs only to be noted and filed requires practically no time at all. The establishment for each office has therefore to be fixed in relation to the type of work done in that office and there is no common yardstick with which to measure the requirements of all departments. The Cochin Retrenchment Committee has adopted ten files a day (comprising simple as well as complicated files *but excluding interim references*) as the normal out-turn of work which could reasonably be expected of a clerk of average ability and efficiency. On this basis about 2,500 references per year would have to be handled by each official. This is I think a very fair basis and if this basis were to be adopted in Mysore also considerable economies in establishment would be possible in every department.

Efficiency Audit Office to be utilised to examine the work in each office and fix scale.

13. Within the limited time at my disposal, especially in view of the late hour at which the particulars called for by me were received from many of the major departments, it has not been possible for me to investigate the types of work done and other special

circumstances relating to each individual office and to formulate definite proposals regarding the staff required based on data collected in each office. If economies in establishments in Government institutions are to be effected on a rational basis the establishment has to be fixed on the basis of work done by each official in each office. I attempted this in a few offices and it seems to me to be well worth doing for every office systematically through the agency of the Efficiency Audit Officer and his staff. In respect of those offices which could not be examined by me in detail, I have suggested 12½ per cent reduction as has been done by the Madras Retrenchment and Reorganisation Committee, who observe :—

> "The Committee feels that some considerable retrenchment ought to be effected and quotes in this connection the words of Sir Richard Tottenham in his report on the Reorganisation of Central Secretariat: "All Departments will no doubt say that they cannot spare any one, such objections should be over-ruled." In view of the large development that has taken place in most of the Departments, the Committee would not fix too high a figure for retrenchment but would recommend that the several departments of the Secretariat may be asked to effect retrenchment in staff, not covered by exemptions above mentioned, to the extent of 12½ per cent. It may be that in some departments even this percentage of retrenchment may not be possible but in others something more may be possible without affecting efficiency. The Committee also recommends that in view of the same considerations the percentage cut in the establishment may be imposed in respect of the staff employed in other offices."

There may be however some difficulty in respect of staff in departments like Medical and Public Health, Education, etc., but even in these departments economies ought to be possible by enlarging jurisdictions, closing down of unnecessary institutions, etc. If as already suggested further decentralisation of powers are effected and the rules regarding the non-entertainment of petitions, etc., by higher officers in respect of matters within the competence of lower officers is rigidly adhered to and the registering, maintenance and filing of papers and records in each office are promptly and properly attended to, much of the time that is at present wasted by the officials would be saved and a consequent reduction of establishment would easily be possible.

Increase in staff no remedy for inefficiency.

14. To secure this it is essential that each official knows his duties and attends to them conscientiously.

Almost every officer I have met and with whom I have discussed this matter, has laid considerable stress on the need for providing the offices with staff possessing the requisite training and experience and capable of attending to their duties instead of having a large number (as much as 50 per cent nearly in some offices) of raw recruits or unsuitable hands. *A small well-trained staff with a handful of officers who know their work and their departments in and out and are able to give proper guidance to the personnel under them, would be much more efficient and prompt than a large number of officers and staff haphazardly recruited who have no heart in their work and who take no pains to understand or attend properly to their duties.* The Cochin Retrenchment Committee has also come to a similar conclusion and have stated as under :—

> "There is a general feeling against the unsatisfactory character of recent recruitments especially of the subordinate staff. *But the remedy for inefficiency is not an increase in staff*, but the elimination of the inefficient element .... It is unnecessary to add that efficiency in service is dependent not entirely on the mode of recruitment but to a considerable degree on the nature and extent of departmental supervision and the ability of the Head of the Department to take an overall view of the administration of his department....."

In the proposals for retrenchment formulated by me, it has been assumed that the staff employed in any office, while they will be the minimum necessary to ensure efficiency, would consist of well-trained personnel, fully acquainted with the rules of business, office procedure and departmental routine, and controlled by officers, who while themselves quite conversant with departmental rules, practice and procedure, can also be trusted to give the necessary guidance and exercise effective supervision and thus see to the proper and prompt despatch of work in their offices and the offices of their subordinates as well.

Training of personnel.

15. Suitable arrangements would therefore have to be made immediately for ensuring proper training of the staff in the several branches of work. Merely placing a recruit on probation for some initial period and asking him to work in several sections and leaving him to pick up whatever experience he can is not of much use. It would be better to require him to attend regular training classes and undergo a programme of practical training with a test at the end of it. An organisation for each department for this purpose at the district headquarters,

the recruits being given intensive training for an hour or two in addition to being put on routine work in the office during other hours would be an economical method of providing training for recruits. The Efficiency Audit Department may be requested to pursue this matter and to see that every official who enters a department is given proper training and knows his work.

Need for keeping office manuals and manuals of Standing Orders up-to date.

16. One other point which I may refer to in this connection is the need for making efficient arrangements, for timely revision of departmental manuals and general rules of procedure. In spite of standing orders requiring every office to keep its Manual and Compilations of Circulars up-to-date, there is hardly any office in which this is done regularly and it is very difficult to get copies of any Manual with all corrections posted up-to-date or to get at the latest orders on any subject. How much such a state of affairs hampers efficiency and public business can easily be imagined. If offices should be efficient and prompt, every official should be aware of the work he should do and the registers he should maintain. He must have on his table a statement showing the work to be attended to by him, the registers he should maintain and returns to be received and to be compiled and submitted by him. One useful method adopted is to print and post on the facing sheet of each register all the relevant rules regarding the maintenance of each register so that the official could not bring forward ignorance of rules for not maintaining his registers correctly. The work done by each official and the arrears if any should be scrutinised at least once a week by the ministerial head of the office. The rules are there even now, but are seldom followed.

Indexing and filing of references.

17. Similarly proper recording and indexing of correspondence and files in every office is necessary and should be insisted on as more time is lost in tracing papers and consultations as to how a particular paper is to be dealt with than in actually attending to them. The weekly inspection of the work of each official to see that he has no papers unattended to is most essential. This should be insisted upon and the gazetted officer should review these pending lists.

Simplification of work.

18. There is also considerable scope to simplify the system of work and procedure in several offices (by curtailing unnecessary returns, duplication of work, etc.). It is suggested that this question may be examined in detail by a small departmental committee in respect of

each department with an officer of the Efficiency Audit Department and of the Account and Audit Department along with one or two officers of the departments concerned, under the Chairmanship of the Efficiency Audit Officer or a senior head of a department with a direction to submit their report in three months. A large volume of unnecessary work now being done could easily be curtailed as the result of the efforts of such a committee.

Preparation of a book of powers and need for each officer knowing and utilising his powers fully.

19. I would also suggest that a book of powers giving details of the powers of the several officers may be compiled and printed and copies supplied to all officers for reference and officers not only encouraged but directed to utilise their powers fully and not make unnecessary references or shirk their responsibilities superior officers declining to interfere except in appeal or revision in matters falling within the powers of their subordinates.

(ii) *Inferior Services.*

Need for reduction of strength of Menial establishments.

20. The question of reducing the strength of Menial establishments employed in the several departments of the State has been considered more than once in the past, but the orders passed on previous occasions do not seem to have gone far enough. In view of the large increase not only in the number of servants but also of the per capita cost involved, it seems to be necessary to investigate seriously the question of effecting economies in these services. The total strength of the menial establishment which was about 4,800 in 1922 and 6,200 in 1932 has now increased to about 12,000 not including the menial staff of the Food Supplies and other temporary departments. Further while the average cost per head was Rs. 10 per mensem, it is now over Rs. 30 per mensem. The total cost of this establishment is now about 60 lakhs of rupees per annum. Even making allowance for the expansion of the activities of the various departments, it is necessary and possible to effect a considerable reduction in this "army" of servants in order to reduce unnecessary and ineffective expenditure.

Government servants not to be employed on domestic work.

21. The Retrenchment Committee of 1931 observed:–

> "There are too many menials in most offices, and in not a few cases, they are employed on private work of the officers to whom they are attached, at any rate, on duties which have no direct connection with the discharge of Government work."

That Committee recommended that the total strength might be reduced by 10 per cent on the average, but the proposal does not appear to have been accepted by Government. The remarks of the Committee made years ago are, I think, quite true even to-day. It is a cardinal principle that Government servants are not intended for doing domestic work and this is well recognised in the Government of India Offices. It cannot be denied that there is considerable slackness in rigid adherence to this rule here.

Scale of servants to be fixed.

22. With a view to effect reductions in the number of servants with the active co-operation of the Heads of Departments a circular was issued by Government to Heads of Departments explaining fully the circumstances of the case, and suggesting "tentatively for adoption," the following scale (based on that in Madras) and requesting all officers to immediately reduce the number of orderlies both in their offices and at their residences voluntarily to the maximum extent possible keeping this scale in view :—

FOR OFFICERS.

Heads of Departments ... Secretaries to Government including Chief Secretary and Financial Secretary. Deputy Commissioners ... District Judges ...	1 Jamedar or Daffedar for the office and 2 peons for residence.
Executive Engineers ... Under and Assistant Secretaries to Government, and Touring Gazetted Officers ...	1 peon for office and 1 peon for residence.
Amildars	3 peons.
All other Gazetted Officers (non-touring) and all touring non-gazetted officers including Revenue Inspectors now having peons.	1 peon each.

FOR OFFICE.

2 peons for offices employing less than 10 clerks, and an additional peon for every 8 additional clerks.

(It may be added that the scale of "2 peons for offices employing less than 10 clerks" was not intended to refer to small establishments of two or three clerks attached to some offices.)

23. The replies received from Heads of Departments have not at all been satisfactory. In a large number of cases, requests for a relaxation of the proposed scale has

been made for some reason or other. It seems therefore to be necessary for Government to definitely fix the scale as above and request the Comptroller to cut down the number of servants on that basis. In the case of offices in charge of an officer of the status of Deputy Commissioner and above, a cycle orderly may be allowed in addition, and a full time sweeper also where absolutely necessary. For small offices no separate cycle orderly or full time sweeper need be allowed and the work of sweepers may be got done by part-time allowances met out of contingent grants of the office concerned. Arrangements for watchmen may be necessary only in respect of offices handling valuable property and articles and where no separate police watch and ward is provided. No watchmen are necessary for other offices.

Where an officer is in charge of more than one office no *additional* menial establishment need be allowed, except one daffedar or peon to attend on him in the office in cases where the two offices are held in separate buildings or stations.

Savings of Rs. 10 lakhs could be secured by reduction of menial establishments who might be encouraged to go back to land by granting 5 acres of land free and a suitable advance.

24. If an effective enforcement of the intentions of Government is insisted upon it is expected that it might be possible to reduce the total strength by about 3,000 hands, which would result in a savings of about Rs. 10·00 lakhs per annum. Our food position is deficit and with a view both to effect economy in Government expenditure and to increase food production the servants who are to be thus discharged may be given 5 acres of land surrendered by the Excise or Amrit Mahal departments and given also an agricultural loan so that they could settle on the land and be gainfully employed.

(c) *Allowances (Additions to Salary.)*

General Principles.

25. The general principles regulating the grant of these allowances have been clearly defined in the Mysore Service Regulations as well as in several Government Orders issued from time to time. How far the grant of additional allowances, for whatever reason is desirable or justifiable has always been a vexed question and the grant of such allowances always the subject of comment in Legislatures, especially when more than one allowance is given to the same officer or such allowances are given to officers drawing high salaries. The Retrenchment Committee of 1931 examined this question in considerable detail, and after a careful scrutiny of the

various kinds of allowances then drawn, made detailed recommendations in regard to their revision. These were generally accepted by Government with a few modifications in individual cases. The Committee observed that any difficulty felt was not so much in respect of the general principles to be observed in this behalf as in the strict and *consistent* application of these principles to individual cases and that " unless the rules framed are comprehensive and *are also strictly and consistently applied anomalies and even abuses are apt to appear.*" They added that as a matter of fact, an examination of the official lists and manuals of appointments disclosed a very large number of allowances of various kinds, " *not always referable to clear cut or intelligible principles, and occasionally presenting inexplicable diversities in rates and amounts.*"

26. Article 49 (*a*) of the Mysore Service Regulations lays down that " unless in any particular case it be otherwise distinctly provided, the whole time of a public officer must be held to be paid for by the State and he may be employed in any manner required by proper authority within his own branch of duty, without claim for additional remuneration, whether the services rendered are such as would ordinarily be paid for from the general revenues or a Local Fund." The Retrenchment Committee felt that the pay or salary of an officer must be deemed to have been fixed after taking due account of the nature of the several duties that may be expected to be normally discharged by a holder of that office and *must also be understood to cover a certain amount of variation in the nature of the duties or its arduousness or both* and that extra emoluments are not therefore contemplated merely because an officer happens to be posted to a more arduous charge or to be entrusted with additional duties, *unless* the change involved decidedly heavier responsibility or more than a reasonable day's work. They also emphasised that officers belonging to a general cadre are bound to serve in any appointment borne on that cadre to which they may be drafted without claim to an allowance and accordingly an officer of one department transferred or lent to another for employment within his branch of duty would not be entitled to any allowance.

27. These principles may be accepted even now and additions to salary regulated accordingly.

23. The different kinds of allowances now given and the circumstances relating to the grant of each of these are reviewed below :—

Personal Allowance.

Personal Allowance—Cases, where given should be rare and should be absorbed at the earliest opportunity.

29. This is in the nature of an addition to pay, and its grant can only be justified in exceptional circumstances, *e.g.*, as compensation for loss of emoluments on abolition of a post. These are not "Rewards" in any sense nor are these to be given as compensation for "loss of duty allowances." When a personal allowance is given —and such cases must be rare—it should be absorbable and absorbed at the earliest opportunity. But many cases where personal allowances are now given do not stand this test.

Local Allowance.

Local Allowances—Need for continuing these allowances.

30. The Retrenchment Committee of 1931 were of opinion that there appeared to be "no valid reason to support the system of local allowances on account of the unhealthiness of a locality or of the expensiveness of duty therein since pay is presumed to be fixed with regard to the nature of the duty and the conditions of its performance." I beg to differ from the above, especially in the cases of subordinate officials working in the Malnad, or of officials working in particularly unhealthy localities, as the scales of pay of officials are generally fixed on a uniform basis, whether for Malnad or for Maidan and when an official is posted to a place which is especially unhealthy or known to be inordinately expensive the claims of officials for a justifiable allowance could not be reasonably turned down.

31. In respect of the areas classified as Malnad, the Malnad Development Committee have recommended that all the officials should be granted a suitable special allowance so long as they are employed in Malnad. I entirely agree with them. The existing Malnad Allowances may therefore continue. Similarly, in the case of a provincial service where subordinates are liable to transfer from a Hobli or a Taluk Headquarters to a costly city like Bangalore, some provision would have to be made for a compensatory allowance which may preferably be a House Rent Allowance unless free quarters are made available. I shall deal with this further in the para under House Rent Allowances.

Duty Allowance.

Duty Allowance— The most abused of allowances. These allowances may generally be abolished.

32. As per Article 15 of the Mysore Service Regulations, this allowance is given " in consideration of (*a*) the specially arduous nature of duties or of (*b*) increased work or responsibility or (*c*) for the discharge of the duties which do not properly belong to his office or (*d*) for which there is no sanctioned appointment." *This is perhaps the most abused of all allowances.* From an examination of the Duty Allowances sanctioned in respect of appointments in the several departments, it is difficult to say if any of these grounds exist in several cases to justify the grant of the allowance. For instance, all the officials working in the establishment of the Dewan or a Minister are getting duty allowances. Whether *all* the officials should get such allowances is a matter for examination. Again these allowances are a fruitful cause of official jealousies. Once an official gets it, even if the circumstances leading to the grant of the allowances have ceased to exist, the officer under whom he is working quite often is *unwilling to suggest its discontinuance* and when the allowance gets really abolished or even when the official is transferred to another post not carrying such an allowance, it often gets converted into a personal allowance and sometimes even into an unabsorbable personal allowance. Again, the transfer of an official getting such an allowance is rendered very difficult as the official's complaint regarding loss of an allowance which he has been getting for some time is certain to attract sympathetic attention at some quarter or another and the official is retained in that post however necessary may be his transfer from that post in public interest. In the alternative he is often transferred to a new post but carrying the allowance with him as personal.

33. Ordinarily, as opined by the Retrenchment Committee of 1931 the mere change of employment, or work in a headquarters office or in the Secretariat, by itself, ought not to support the grant of a duty allowance. No allowance need therefore be given to an officer unless there is a *decided addition to work entailing more* than a reasonable day's work, or he is employed on specially arduous work entirely outside his normal duties. Considering the abuse to which this class of allowance is put to, I feel that such allowance may be abolished alogether, except in cases where an officer is put on puties which involve a decided addition to his work and

responsibilities and for the performance of which there is no sanctioned post. No allowance should ordinarily be given in cases where additional duties are added on to an officer who does not have enough work or the additional work or the additional duties are such as could be attended to by him by a suitable re-adjustment in his day's work.

Deputation Allowance.

Deputation Allowance.

34. The conditions to be satisfied for eligibility to this allowance are clearly laid down in Article 57 of the Mysore Service Regulations. An officer can be on deputation only "when he is detached on special temporary duty for the performance of which there is no permanently or temporarily sanctioned appointment" and even in cases of such deputation, an allowance will be admissible only "if the special duty involves a decided increase of work or responsibility in comparison with the duties of his regular appointment." If the special duty involves a change of station, the allowance is called "Deputation (Local) Allowance". Otherwise it is a "Deputation (Duty) Allowance". Cases of deputation (local) allowance do not ordinarily arise. Regarding deputation (duty) allowance, this should not be intended to cover cases of appointments sanctioned for long period and filled by officers drawn from one of the administrative services doing work not of an entirely dissimilar nature. Where the period of special duty exceeds three months it is not ordinarily a case for giving any deputation (duty) allowance at all. If there is need for a full time officer *a new post should be created and the cadre increased temporarily if necessary and an officer posted there without any additional allowances.* Actually, however, there are instances where an official drawn from one section of an office to a newly created section in the same office or department is treated as on deputation though the conditions of work in the two sections in no way differ. Further, while in some cases the work may be of an arduous nature in the initial stages of a newly created organisation, requiring special treatment it may settle down to normal after some time when no such treatment would be necessary. For instance, the audit and administrative staff posted to the Food Supply Department for doing work normally expected of such staff cannot strictly be considered as on "deputation" for years together, entitling every

member of the staff employed in the Department to a deputation (duty) allowance. It may often happen that the work in a new office may be *far less both in quality and in quantity* than in other similar offices. No deputation allowance is ordinarily called for in those cases.

Where it is intended to be given for additional work done, the allowance should not be given for periods longer than three to six months and the circumstances carefully scrutinised before further extensions are granted.

Tentage.

Tentage may be abolished.

35. Under modern conditions of quick locomotion and increased facilities of accommodation in Travellers' Bungalows, etc., the grant of tentage allowance is unnecessary and may be abolished, suitable arrangements being made where necessary for providing officers requiring them with tents and office accommodation.

Conveyance Allowance.

Conveyance Allowance to be regulated according to the nature of the conveyance maintained.

36, Every Government servant is expected to maintain a conveyance suited to his rank, and he is bound to maintain this without claim for a special allowance. The pay of an officer is ordinarily expected to have been fixed with special reference to the expenditure involved in the performance of his duties and no further claim for a conveyance allowance would therefore arise. It is only in cases where Government servants have to tour regularly in a specified area for which travelling allowances would not be admissible under the rules and some compensation would be due for meeting their out-of-pocket expenses that a case for the grant of conveyance allowance would arise. The amount of allowance to be given in such cases should obviously be based on the type of conveyance which the officer is to maintain. An allowance of Rs. 75 per month for a car, Rs. 25 per month for a motor cycle and Rs. 5 to Rs. 7-8-0 per month for a bicycle appear to be suitable for being given for the maintenance of these conveyances. The Comptroller tells me that there are several instances in the Public Works Department *where conveyance allowance is continued although the conveyance expected to be maintained is not at all maintained nor necessary to be maintained* and *that there are cases where officers have really no use for a conveyance but still a conveyance allowance is granted and is being drawn* Such cases require investigation and the conveyance allowance given abolished. If for any reason, there is justification to give the officers additional

pay, it may be given but it need not be called conveyance allowance. In places like Jog, the use of a jeep or other Government vehicle may be given to subordinates and officers whose duties require their moving out in conveyances to workspots and no permanent conveyance allowance need be given to any one.

37. Regarding the *quantum* of Conveyance Allowance, the Madras Retrenchment Committee has observed as under :—

> "The Committee has examined the different rates of conveyance allowances generally in force and found that the rates for the same type of conveyance in certain cases varied from officer to officer. The Committee suggests that the allowances given should be better approximated, and that the motor car allowance given to officers in Madras may be reduced to Rs. 75 in cases where it is at present greater than this; it may be noted that officers use their cars not only for their official purposes but also for their private use and that the Government need not pay to them, as allowance, the entire cost of maintaining their cars."

Their views may be accepted.

House Rent.

House Rent Allowance or Rent-free Quarters.

38. Under existing practice, the concession of rent-free quarters is limited to officers who are required in public interest to reside within the close proximity of the place of duty, *e.g.*, Resident Medical Officers. In places where housing accommodation is not available it is also build houses at Government expense and give them rent-free, or at concession rent, or on rent limited to usual to 10 per cent of pay or 7 per cent on the capital cost of the building whichever is less.

39. The grant of House Rent Allowance to employees of certain grades in particular places, on account of costliness of living, etc., is in vogue in the Police Department. A certain amount of uniformity of practice as between different departments, appears to be necessary in regard to this. There is a persistent demand for extension of the principle of grant of House Rent Allowance, or provision of residential quarters, to Government employees, especially the low-paid ones in specially costly places like Bangalore. This is a matter of policy deserving of consideration. If one Department is given such a concession it is difficult to resist the claims of other departments.

40. The alternative is by giving encouragement to those officials that want to build houses by giving them

sites at upset prices in addition to providing essential building materials such as steel, cement, timber, etc. Type designs may be encouraged and the roofing materials, windows, doors, etc., got manufactured on mass scale and given to officials at cost or even at slightly subsidised rates. A large number of dwellings constructed as above for the peons and middle class officials would bring down the heavy house rents they are now paying and the clamour for the grant of house rent would then diminish. A scheme for making houses available to employees on an Insurance basis is under examination and if it is sanctioned it will enable such employees to purchase houses on paying a small portion in cash and purchasing an Insurance Policy for the balance which would enable them to own houses by making small monthly payments within their means.

Multiplicity of Allowances not to be permitted.

41. The Retrenchment Committee of 1931 were of opinion that " no officer should as a rule be permitted to draw more than one kind of allowance at a time, even where this would be otherwise admissible. In the exceptional cases in which a conveyance or other fixed allowance is considered necessary in addition to some other allowance that is permissible, both the allowances should be consolidated and the total subjected to a maximum limit." These are very wholesome rules and should be adopted and rigidly enforced.

42. In the statement submitted to Government separately, the various allowances now being given in the several departments have been tabulated and opinion in regard to the continuance or otherwise of the allowances indicated. Where on account of the recommendation made above, the allowances are to be reduced or abolished, in order to avoid undue hardship to officers at present in receipt of allowances, the reduction or abolition may be restricted in the case of present incumbents to 50 per cent which would cease on change of incumbents.

43. The present cost of these allowances is Rs. 24·89 lakhs per annum and if the suggestions made by me are approved, the savings secured would be Rs. 5·82 lakhs *vide* Annexure No. XI.

(*d*) *Travelling Allowance.*

Travelling allowance should not be a source of profit.

44. Travelling allowance is given to an officer to cover the actual travelling expenses incurred by him while travelling in the interests of the public service. It is

a fundamental principle that travelling allowance should not be a source of profit. The common belief is, however, otherwise, although latterly officers are finding the conditions of travelling so difficult that they would rather not travel at all. While Travelling Allowance should certainly not be a source of profit, it should not also tax the resources of officers and conditions of travelling ought to be made less rigorous so as to ensure adequate touring by executive officers. A certain amount of minimum touring by executive officers is absolutely essential in the best interests of the public service in order to provide for efficient inspection, prompt detection of lapses and abuses, and timely redress of grievances.

Comparative statement of expenditure under travelling allowance in various departments.

45. Annexure IX (3) furnishes the expenditure in the several departments under travelling allowance during the years noted below. The total expenditure on Travelling Allowance in all departments being as under:—

	Rs. in lakhs.
1923-24 ..	9·79
1932-33 ..	9·15
1938-39 ..	11·21
1948-49 ..	24·83

As seen from the statement there has been an increase in expenditure in almost every department and the increase is most noticeable under "12. General Administration" where the charges have increased from Rs. 1·03 lakhs in 1938-39 to Rs. 4·17 lakhs in 1947-48. There have also been large increases under Land Revenue (Rs. 1·88 lakhs to Rs. 3·10 lakhs), Police (Rs. 2·1 lakhs to Rs. 6·35 lakhs), Military (Rs. ·20 lakh to Rs. ·97 lakh), and Agriculture (Rs. ·39 lakh to Rs. ·99 lakh), etc. Part of the increase is due to increased railway fares and to the 33 1/3 per cent increase in respect of daily allowance and road mileage.

Methods of securing economy in Travelling Allowance charges. Unnecessary and aimless touring to be avoided.

46. Economy in expenditure in travelling allowance can be secured only by regulating touring according to well-planned programmes drawn up in advance avoiding long and rapid marches, frequent visits to same places and frequent returns to headquarters, etc. Unnecessary and aimless touring should be scrupulously avoided. These principles have been sufficiently emphasised in standing orders issued from time to time (*e.g.*, para 92 of the Manual of General Circulars and Article 569 of the Mysore Service Regulations), and what is required is the proper *enforcement* of the rules and adherence to the

same in spirit and in practice by officers of all grades. Most officers are very touchy about their travelling allowance bills and while they may rightly be so, they in their turn owe a duty to Government to see that their (journeys) claims are so regulated as to disarm all criticism. Greater vigilance on the part of controlling officers should also be insisted upon, and Audit asked to bring persistent cases of default to the notice of Government. *The practice of local officers being in attendance on higher officers during their movements in their jurisdiction, unless such attendance is specifically required, should definitely be stopped.* A circular has already been issued to all officers that when the Ministers or other high ranking officers proceed on tours of inspection, it is sufficient if the officers concerned meet them at their respective headquarters and only such of them as may be specifically asked to do so may accompany (*vide* O.M. No. 1881-1930—C.B. 107-41-1, dated 26—29th November 1941 and G.O. No. 2397-456—C.B. 57-43-3, dated the 11th January 1944). The due observance of this rule should be insisted upon. The normal programme of work and touring of the local officers should not ordinarily be disturbed merely by the fact of higher officers touring in their charges.

47. With a view to economise the expenditure on travelling allowance the following suggestions are offered:—

Maximum monthly limits of Travelling Allowance to be fixed.

While Fixed Travelling Allowance is good as far as it goes and is working satisfactorily in the case of subordinate executive officers, it does not appear to be entirely satisfactory in the case of gazetted officers including Amildars where this is giving scope for drawing the Fixed Travelling Allowance *without adequate touring.* To avoid this the system of fixing maximum limits of travelling allowance appears to be more desirable in these cases. This system which was introduced some time ago is stated to have worked very well and it has the added advantage over Fixed Travelling Allowance that the officers cannot draw any allowance unless they earn it by touring, and touring according to a well planned programme. The tour programme as also the bill would be reviewed with the diaries so that unnecessary travelling, rapid marches and frequent returns would not be permitted and such claims could summarily be disallowed. I would add in passing that Government should authorise and direct all countersigning officers to

freely use their powers of countersignature to restrict railway fare or mileage or both only to Daily Allowance or even disallow the whole amount where the journey of any officer was avoidable or unnecessary, or an unnecessary rapid march has been made. Inspecting officers should also be requested to make it a point to compare during their inspections the travelling allowance journals with the work done so that unnecessary journeys are not undertaken. They should see also that all pending files in an area have been really attended to during tours of that officer in that area and that the touring itself has been arranged with due regard to a pre-arranged programme depending on the extent of work to be done in each place. The Comptroller suggests that in the case of Heads of Departments and other officers who draw these bills without countersignature the Government may call for their bills paid over a period of six months at a time and scrutinise them to see how some officers draw travelling allowance for unnecessary journeys and thus cause avoidable expenditure to Government.

It appears to me better however that the Government call for a half-yearly report from the Comptroller on his review of such bills in Higher Audit and take suitable action thereon.

Restricting the number of subordinates to be taken on tour.

(ii) Economy in Travelling Allowance can also be secured by restricting the number of subordinate officials and menials accompanying Heads of Departments and Deputy Commissioners on their tours. A note I got unofficially from the Travelling Allowance Section of the Comptroller's Office states that some Heads of Departments take 5 to 7 clerks and 5 to 7 menials with them. If this is so it should be stopped. Ordinarily, a Steno-Typist ought to be sufficient unless detailed inspections of offices or special investigations are undertaken when more clerks could be taken. Full use should also be made by touring officers of the local subordinates and staff for inspection purposes.

Excesses over monthly limits not to be permitted ordinarily

(iii) Excess over the monthly limits of Travelling Allowance fixed for several classes of officers should not be passed by the higher controlling offices, save in very special cases of proved necessity. These seem to be now done as a matter of course. More stringent scrutiny is called for.

Frequent transfers to be avoided.

(iv) Frequent transfers of officers may be avoided as far as possible.

C.A. and P.M. T.A. not to be given to Stationery Officers.

(v) Some of the Engineer Officers posted for construction or other works at particular localities, involving no touring, seem to continue to draw conveyance allowance or permanent monthly travelling allowance. The matter requires investigation.

Rates of Travelling Allowance.

(vi) It is understood that from next year, there will be only three classes of travel. The rates of First Class are now very high. This merely adds to our Travelling Allowance charges without any corresponding benefit because the majority of persons travelling in First Class are either Government officers or are non-officials travelling on Government duty and these persons (except when petrol is unavailable) prefer to travel in motor cars *so that the Railway gets no benefit from the high fares. Again,* as per present rules only officers getting over Rs. 600 get First Class fares and this causes departmental jealousies. It often happens that of two colleagues doing identical work one gets first class because his salary exceeds Rs. 600 while his colleague gets only Second Class. Such anomalies should not exist. To avoid these and to increase Railway revenues, First Class fares or Upper Class fares may be reduced to 18 pies and officers of *all* departments drawing Rs. 500 and above given Upper Class fares. If this is not possible and the Upper Class fare is to be retained at 24 pies per mile Upper Class fares may be given only to officers of the rank and status of Deputy Commissioners, drawing Rs. 800 and above.

Note.—This note was written before the revised rules come into force.

Travel Facilities to Touring Officers.

(vii) One of the difficulties of touring officers is lack of boarding facilities in the interior. Although there are plenty of travellers' bungalows in our State, a majority of them do not have vegetarian cooks nor is there provision for linen, mosquito nets, etc. Touring officers have therefore to take their cook, servants and heavy kit with them which makes travelling in these days very difficult. It is understood that in Ceylon almost every Travellers' Bungalow is furnished with vegetarian and non-vegetarian cooks and very good furniture, including mosquito curtains, bed-sheets, etc., so that touring officers need not take much equipment. It seems to be necessary that similar facilities are provided in our State also. At least one Travellers' Bungalow in each taluk other than the taluk headquarters Travellers' Bungalow which is central and most

used by District and Taluk Officers for halts during inspections, may be selected for this purpose and in every-one of these Bungalows vegetarian and non-vegetarian cooks provided. An extra fee of say Re. 0-8-0 or Re. 1 per day may be levied for the service rendered, these cooks being required to prepare or provide food, on payment, to the touring officers. The Travellers' Bungalows may also be completely furnished with mosquito curtains, bed sheets, etc., so that touring officers need not take heavy kit with them and there would be *no need for officers to take servants and cooks very often at Government expense* during these tours. I am making this suggestion seriously as I have myself, as a District Officer, seen the difficulties of subordinate officers during tours. I dare say that with proper facilities officers would be encouraged to make more halts instead of returning to Headquarters very frequently. If possible a jeep station waggon or car may also be made available to officers on hire at District Headquarters as this would prevent the need for officers taking their own cars for long distances and would incidentally avoid other irregularities also which I need not recount. Before concluding, I would also add that the present rules of Travelling Allowances are very complicated and if they are simplified and greater care is exercised by the countersigning officers and the limit of travelling allowance suitably fixed much correspondence (some times unpleasant) between the Comptroller and the officers would be avoided and considerable reduction of work in the Travelling Allowance Audit Section of the Audit Office would also be possible.

(*e*) *Pensions.*

48. The age of superannuation has been 55 years for quite a long time past both in Mysore as well as in the neighbouring Provinces of India and the question of raising it has come up for consideration more than once. When the late Mr. K. L. Datta examined the finances of the State over 30 years ago, he wrote as under:— The age of superannuation and the case for raising same-Mr. K. L. Datta's Review.

> " . . . The age limit was fixed long ago, and I am inclined to think, on insufficient data. There is no doubt that large improvements have been made in the conditions of Government services as a whole since the limit was fixed, methods of work have been systematised, hours of work reduced and work has been more evenly distributed. Pay of all services has Reason for raising the age limit.

been more or less increased, so that notwithstanding the rise of prices in recent years, Government officials as a class have been enabled to raise the standard of their living. But the question whether the age limit fixed so long ago, is really proper or not, has not been enquired into. The growing number of retired officers of Government, who have been taking an active part in public affairs as well as in business in recent years, is a clear proof of the fact that many of the officers, who have been retired under the operation of the 55 years' rule were prematurely retired as they had enough of mental vigour left in them to take to new walks of life even at that advanced age. The experience of men engaged either in business or in legal, medical or other professions does not also support the view that a man ordinarily becomes inefficient when he attains 55 years of age. An examination of the period for which officers draw pension also supports this view. There has been a marked upward tendency in the average life of pensioners. While this is a matter for congratulation, it shows that many officers must have been prematurely retired even though their mental vigour had not abated at the time of their retirement and they must have been quite efficient at the time for further service . . . . . "

2. These words are as true to-day as they were over 30 years ago. But time and again, whenever this question has come up, the decision has always been in favour of the *status quo*, with a recommendation for the liberalisation of the existing provision regarding grant of extension.

The existing Rules.

49. The general principles to be kept in view in sanctioning the retention of an officer beyond the age of 55 are mentioned in Articles 305 and 428 of the Mysore Service Regulations. Article 305 (a) of the Mysore Service Regulations reads as under :—

" An Officer in superior service, who has attained the age of 55 years may be required to retire, unless Government considers him efficient, and permits him to remain in the service. But as the premature retirement of an efficient officer imposes a needless charge on the State, this rule should be worked with discretion. And in cases in which the rule is enforced, a statement of the reasons for enforcing it shall be placed on record.

Note.—It is trusted that the Heads of Departments will always be disposed to extend to this rule a very liberal interpretation, and that the State may, in no case, be deprived of the valuable experience of really efficient officers by the untimely exercise of the powers of compulsory retirement on pension."

While an officer "may be required to retire" on his attaining 55 years of age, it is considered that the premature retirement of an officer still capable of discharging his duties efficiently would deprive the State of his valuable experience and would also add to the financial burden of the State by an increase in the pension charges. Under Article 428 of the Mysore Service Regulations in the case of retirement of an officer who is less than 60 years of age "the cause of his inefficiency" has to be noted in the pension application form, the idea being that while the attainment of the age of superannuation by an officer indicates that a special scrutiny is called for in regard to his physical condition and capacity for continuance in Government Service, it would be more economical to retain him in service beyond that age, *provided he is found efficient*, and that an officer should be presumed to have ceased to be efficient when he reaches 60 years of age.

50. In actual practice, the policy followed in regard to the grant of extensions beyond 55 years of age has varied with reference to administrative circumstances. In 1931, it was found that as a result of retrenchments then made, a number of supernumerary hands had to be absorbed and to facilitate this, Heads of Departments were requested not to grant extensions of service without the sanction of Government. A few years later, when it was found necessary to effect all possible economies in expenditure, Government withdrew the above instructions and directed that "with a view to reducing pension charges as far as possible. .....the ordinary age of superannuation in the case of non-gazetted ministerial officers be raised to 57, *as a temporary measure*, if the persons concerned are otherwise fit to continue in service." (Government Order No. Fl. 5527-76—S. & A. 216-33-1, dated the 12th March 1934). These instructions however appear to have been withdrawn later. The practice now is to retire an officer at 55 *unless* for any special reasons the grant of an extension is considered absolutely necessary and even then the extension is granted usually only for one year at a time. These piece-meal extensions do more harm than good to the departments concerned.

Objections to raising the age of superannuation.

51. One objection to the raising of the age of superannuation is the blocking of promotion to the junior officers who would be "anxiously looking forward to the retirement of officers for release of vacancies for

promotions to them." But as the raising of the age of superannuation would be to their benefit also the supposed blocking of promotions would be temporary only and they would also share in the benefits of measures whose utility to the State would be undoubted. Another objection is that officers in graded appointments would draw a higher rate of pension by their being retained in service for three years more. But this would be more than compensated by the shorter period for which pension would be payable and the advantage of the retention in service of efficient and capable officers.

52. On the whole, that the premature retirement of an officer who is still capable of efficient service throws an unnecessary financial burden on the State is undisputed. That by such retirements, in addition to the financial burden imposed the State is losing their valuable experience which would be an invaluable asset is equally clear. The fact that our officers are being taken up, on far higher salaries, by other Governments after their retirement in Mysore Service, is a sure indication that they are quite fit for some further service, that their services are really valuable and that our Government is a loser by the premature retirement of capable officers. Some time ago, a factual survey was made of the average period of life of retired officers and it was reported that this was about 15 years in the case of Gazetted Officers and 10 years in the case of Non-Gazetted officers.

Expenditure on account of Pension charges.

53. The expenditure on account of Superannuation and Retired allowances which was Rs.13·11 lakhs in 1928-29 rose to Rs 21·59 lakhs in 1938-39 and is now Rs. 32 lakhs. The accompanying statement (Annexure XII) gives the figures of Superannuation and Retired allowances from 1928-29 onwards. The number of staff employed in the various departments and the salaries and establishment charges during those years are also entered in the statement. It need hardly be stated that the full effect on pension charges of the large increases in establishment consequent on the taking up of new development schemes and expansions of administrative services will not be immediate at all. It would begin to be felt a couple of years hence, the maximum effects being felt only when the additional establishments come up in the ordinary course for retirement. At the same time, the effect of the increase in the number of higher paid establishment would make itself felt almost

at once, since the persons who will be posted to these higher posts—both gazetted and non-gazetted—would be men who have put in a fairly large amount of service and have not many years to serve, and when they retire there will be increase in pension charges consequent on the increase in their average emoluments due to revision of pay. Actuarial and other calculations show that 1/9th of the establishment charges may at any time be taken as a fair index of the cost on account of pensions. On this basis, we should be prepared for a pension bill of over Rs. 50 lakhs in the coming years against Rs. 32 lakhs now in view of the recent revision of scales of pay in an upward direction. There is therefore bound to be a steep increase in our pension charges and both on financial and administrative grounds, it seems to be wise to take steps to arrest this increase especially when the financial position is not good and measures of economy in State expenditure are urgently indicated. The Central Pay Commission of the Government of India have also come to a similar conclusion and have recommended that "the age for compulsory retirement should uniformly be 58 years of age for all services, with an option to Government to retire an employee on grounds of loss of efficiency at 55 years." The proposal to raise the age of superannuation to 58, with an option to Government to retire employees on grounds of loss of efficiency after 55 or when on acount of any policy of general retrenchment younger and experienced officials who would otherwise have to be thrown out are to be provided for, appears to be therefore, worthy of consideration.

Raising the period for reckoning average emoluments.

54. Pension charges could also be reduced by raising the period for reckoning average emoluments to five years, instead of three, as at present, when the pension an officer draws would have a more intimate relation to the emoluments drawn by him for some considerable time before retirement.

Avoidance of deviations from Rules *re* grant of pensions.

55. The pension system has several obvious disadvantages. For instance, Government cannot under this method get rid of inefficient or unwanted officials, especially if they have a fairly long service yet to run, without unduly increasing pension charges which their premature retirement entails. Again it often happens that officials get very rapid promotions in the last few years so that the pension one gets has no relation to the salary he earned during a very large portion of his

service, the pension in a few cases being even more than the salary the officer drew just a couple of years ago. Again requests for condonation of breaks and increased pensions on some ground or other are many and Government have practically encouraged such requests by grant of these in several cases. With "Popular Ministries," requests for such preferential treatments and grants of pensions outside the rules would be much more than before and perhaps it would also be more difficult for them to resist such requests. While therefore it is necessary to see that pensions are regulated strictly according to rules and no deviations are allowed and where however are made a list directed to be placed before the Public Accounts Committee by the Comptroller. We may examine if this system could not be replaced by a more modern and scientific one.

A Provident Fund *cum* Pension Scheme as an alternative to the present system.

56. The best solution for avoiding the increasing pension charges seems to me to be in evolving a Provident Fund *cum* Pension Scheme which while ensuring the discharge of all pension liabilities *from the current revenues of the year concerned* would at the same time enable the officers to get pension as per existing rates providing also for a portion of the same being payable in cash when they reach the age of 55 even without any medical examination as at present. Under such a scheme the Government and the officer concerned would have to contribute to a pension fund which will vest in trustees composed of representatives of Government and the employees who will manage the fund and when an officer attains his 55th year they will give him a life pension (based on actuarial calculation) and he may be given the option to take three-fourths as a pension and the balance in cash. Where the pensioner dies before drawing in full his contribution and interest thereon, the balance at his credit contributed by him may be returned to his heirs. The Government contribution would have to lapse to the fund in order to enable it to meet the extra expenditure on account of persons living beyond the average period of expectation. Perhaps after some experience even a portion of this could be refunded by having a quinquennial valuation of the assets of the fund and distribution of surpluses if any. It was roughly worked out by me some time ago by taking actual cases of Gazetted and Non-Gazetted officers that a contribution of one-twelfth of a man's salary with a similar contribution by Government would enable an

officer to accumulate sufficient funds to get a pension equal at least to what he is now getting when he attains the age of 55. If an officer retires or should his service not be required before he is 55, his own contribution and the portion of Government contribution in a proportion to be fixed according to the number of years of service put in, would be refunded. This would be a great advantage both to Government and to the officer and while retaining the certainty of tenure which a Government job usually confers, such a scheme would at the same time afford a certain elasticity and make it possible either for Government or for the employee to terminate or quit the service if such a contingency were necessary. I may however add that this scheme has nothing to do with the State Compulsory Life Insurance which serves an entirely different purpose and would have to continue.

57. In the case of officers now in service it would be difficult to introduce the scheme except perhaps in the case of those who have put in about 5 to 10 years service. In such cases admission to the scheme may be made optional, the officer contributing being allowed to pay up arrears of his contribution spread over a long period of 10 to 15 years. If the general principle is approved the details could be worked out.

(*f*) *Temporary Establishments.*

Need for careful scrutiny before Temporary establishments are continued.

58. It is observed that in several departments of Government a fairly large portion of the establishment is borne on "Temporary" cadre. The general principle followed is that whenever the need for additional staff is felt in any department, it is sanctioned on a temporary basis, in the first instance, and the question of making any portion of it permanent is taken up when it is established that it is permanently required to deal with the normal work of the department. In many instances, a thorough and comprehensive examination of the absolute necessity for continuance of such establishments is not done well in advance and proposals for their further continuance are made at the last minute without sufficient examination and reason to justify the same and sanction is often also accorded thereto for short periods pending fuller examination. Actually, apart from the staff employed on work relating to the control measures, etc., which are necessarily to be on temporary

tenure, there are in the normal administrative departments also, additional hands entertained for specific purposes and continued, from time to time, for inordinately long periods and in several instances not always employed on the work for which they were originally sanctioned.

It is not desirable to continue establishment on temporary basis for long periods.

59. There is generally a considerable amount of reluctance on the part of Heads of Departments and Officers concerned to disband additional temporary establishment once sanctioned, even after the specific work for which it was sanctioned had ceased. It is therefore necessary that an annual scrutiny of temporary establishment should be made well in advance and as far as possible only the minimum necessary should be continued. *Per contra* in the interests of efficiency and contentment of the service an establishment whose continuance is necessary should not be treated as "Temporary" indefinitely since no advantage is gained in putting off the question of providing for the inevitable and established needs of a growing department. A smaller well-trained and contented staff with a security of tenure and definite prospects is certainly more economical than a large staff of temporary hands apprehensive of being thrown out after a time and having no heart in their work.

Temporary posts should be made permanent immediately the need is established.

60. It may be mentioned in this connection that the Madras Cabinet Salaries Committee of 1946 recommended that temporary posts should not be retained indefinitely on a temporary basis but should be made permanent as soon as it was felt that they would be required for the normal working of the concerned department. The Central Pay Commission also has recommended that the administration must take early steps to have the question of the number of posts required in each office or service examined with some approximation to realities. Where it could be foreseen from the outset that the employment would last only for a limited period, employees should be taken only on that clear understanding.

Rules *re* conditions of service of temporary employees to be simplified.

61. While stressing the desirability of keeping the strength of temporary establishment at a minimum, it has at the same time to be remembered that having some temporary establishments to meet *varying* needs is unavoidable and more particularly so in certain departments (like Public Works, Land Records, etc.), where the amount of work to be got through in any year

fluctuates considerably with the funds available and other considerations. In these departments, a considerable number of persons will have to continue on "Temporary" tenure for fairly long periods, and in the interests of the efficiency of the administration, it is necessary that the position and prospects of these employees should be clarified and improved so that the best work may be expected of them.

62. The provisions of the Mysore Service Regulations indicate the several handicaps that temporary employees labour under, as compared with permanent employees, in respect of leave, pension, and other benefits. Ordinarily, a temporary employee can be given only privilege leave and that too only if no substitute is required or his duties can be provided for without additional expense (Article 149). Temporary service does not also generally qualify for pension [Article 222(*b*)]. Certain relaxations under special circumstances are, however, allowed providing for the grant of long leave (Article 197 and Appendix B) and allowing the temporary service to count for pension where it has been put in for long periods in certain specified departments (Article 232).

63. These provisions are somewhat complicated and have been the cause of considerable heart-burning. I think that they should be simplified, and that temporary employees who have put in a certain length of continuous service, say three years, may be made eligible to most of the privileges of a permanent employee, except as regards Pension, all these employees being put on a Provident Fund basis. If later on they are made permanent and their previous service is to be reckoned for pension their Provident Fund account may be closed, necessary pension contribution in respect of the past service being recovered. If the general idea is approved, the detailed rules may be worked out and necessary amendments to the relevant articles of the Mysore Service Regulations put up.

Deputation of permanent staff to temporary places overdone.

64. I may also say in this connection that the system of "Deputing" permanent staff to temporary charges and allowing a Deputation Allowance of 20 per cent of salary, is being overdone. Such deputations are intended only to cover cases where an officer is detached on a special temporary duty for short periods and the creation of a separate post with an independent scale of

pay is considered unnecessary. When such posts are expected to continue for long and indefinite periods it is desirable to create new posts on the usual scales obtaining for similar work the cadre being increased correspondingly.

(*g*) *Leave.*

65. In Financial Secretary's letter dated the 8th March 1948, I have been asked to take into consideration the following items in formulating my proposals:—

> "Limiting acting or other arrangements in leave vacancies; Restricting grant of leave for longer periods, except on strong medical or other grounds."

66. Under Article 122 of the Mysore Service Regulations, leave of absence can never be claimed as of right and Government have the free discretion to "refuse, or revoke, leave of absence of any description, at any time, according to the *exigencies of the public service.*" Government are therefore entirely at liberty to regulate the amount of leave to be given and the time of grant so as to cause minimum administrative inconvenience, save in exceptional cases of proved urgency and necessity. The rules also lay down specific limits in regard to the total leave admissible and the extent of leave that can be granted at one time. I do not think it is necessary to formally lay down any further restrictions (beyond those laid down in the Mysore Service Regulations) by means of executive standing orders. Such orders might be appropriate only to tide over period of *temporary* emergency and the present is not such an occasion. Further, too many restrictions on the discretion of sanctioning authorities will have the effect of increasing the number of references to Government for relaxation of the same in individual cases. A proper scrutiny of applications for leave by the sanctioning authority with reference to the need for the leave and administrative convenience should minimise instances of grant of leave on insufficient or frivolous grounds.

Earned leave.

67. On the other hand, I think there is considerable scope for reducing work all round by a simplification of our leave rules, which are now very complicated. We have several kinds of leave, and too many distinctions are laid down in regard to the calculation of the nature and extent of the leave and the amount of leave allowances admissible, as between different categories of

officers. The proposals of the Comptroller (sent in connection with the revision of the Mysore Service Regulations) to do away with several kinds of leave such as privilege leave, furlough, etc., and have in its place only "earned leave" deserves consideration. In view of the fact that very few officers take advantage of our leave rules, the maximum "earned leave" may be limited in an officer's service to 3 years leave on full average salary with an accumulation of one year at any time, only 4 months leave on full average salary being allowed at a time except on medical certificate when it may be extended to 8 months. While simplifying the rules it must also be borne in mind that such revision does not involve unnecessary extra cost. Again the salary during leave may be fixed at one-twelfth of average emoluments drawn during the previous one year. What items these emoluments should include would however have to be defined, and even here the rules may be simple and not elaborate or complicated as at present.

68. As it is desirable in the interests of efficiency that officials and officers should relax by taking short leave after spells of long strenuous work, as far as possible the risk of loss of emoluments during leave should be avoided. If more people do not at present take advantage of our leave rules, it is because they have usually no spare money and are often too involved in family troubles of various kinds to afford the luxury of leave or they are afraid that the allowances they are getting will cease during leave and they could not therefore afford it. It often happens that when an official is particularly good at his work he is dissuaded from going on leave. *It is always the unwanted officer who is able to avail of these advantages.*

Acting arrangements.

69. As regards limiting arrangements in leave vacancies, I think no "acting" arrangements need be made generally for vacancies of less than one month's duration. The senior-most officer in the office or any other officer in the same place may carry on the routine work and ordinarily without any additional emoluments when the work attended to is that of an officer of similar status. The order passed recently *vide* Government Order No. Fl. 3865-3934—S. & A. 46-48-2, dated 25th October 1948 has to be revised to this extent. In the case of specially responsible posts like Deputy Commissioners, etc., when the officer in charge of the duties of

an officer of a higher post, "in charge" arrangements may be made, no charge allowance being however given for periods of less than two weeks.

(h) Financial responsibility of disbursing officers, canons of financial propriety and decentralisation of powers.

No extent of Audit checks can replace the scrutiny of Departmental officers.

70. The administration of each department of Government is vested in the head of the department concerned. In financial matters he is thus primarily responsible for the collection of revenue and for the control of expenditure and its proper accounting. Any extent of Audit inspections by Accounts Officers *cannot* replace the check and scrutiny which a departmental officer exercises over the expenditure incurred by him. It is therefore very necessary that the fundamental principles of sound finance should be constantly borne in mind by all administrative officers and the need for maintaining a high standard of Financial morality and devotion to the financial interests of the State impressed on every officer.

Disbursing officers should be familiar with financial and account rules.

71. The importance of the proper maintenance of initial accounts in our Scheme of Audit and Accounts cannot be over-emphasised. The disbursing officers are responsible for the proper maintenance of these in accordance with prescribed rules and no extent of 'Audit' can replace these basic checks. Disbursing officers should therefore be sufficiently familiar with financial and account rules to ensure an adequate check over their transactions and effective control over the clerks or accountants in their offices. No officer should be allowed to plead that he has been misled by his clerk or accountant, as it is for the officer to see that the clerk or the accountant is doing his work properly.

Fundamental canons of Financial propriety and the need for their observance.

72. Economy in Government expenditure can be secured and wasteful expenditure avoided only if proper scrutiny and check is applied by every disbursing officer at the initial stage only and the fundamental canons of financial propriety noted below strictly observed :—

(1) Every public officer should exercise the same vigilance in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

(2) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

(3) Government revenues should not be utilised for the benefit of a particular person or section of the community unless—
  (i) the amount of expenditure involved is insignificant, or
  (ii) a claim for the amount could be enforced in a Court of Law, or
  (iii) the expenditure is in pursuance of a recognised policy or custom.

(4) The amount of allowances, such as travelling allowance, granted to meet expenditure of a particular type, should be so regulated that the allowances are not on the whole sources of profit to the recipients.

(5) In respect of expenditure from borrowed funds, money borrowed for a particular purpose should be expended only for that purpose. If the money is utilised on works which are not productive, arrangements should be made for amortisation of the debt.

Scrutiny of sanctions.

73. It is also essential that sanctioning authorities should, while according sanction, see that these rules are rigidly observed, and *satisfactory arrangements exist for the scrutiny of sanctions including those at Government level* in the light of the above principles. It has been necessary to emphasise these well-understood principles of Public Finance in this Report as there is a strong feeling that due to the conditions created by the last War, considerable laxity in these matters has come about and stricter control is necessary.

Decentralisation of Powers.

74. One other important factor which could help not only in effecting economies in the strength of establishments but also in speeding up disposal of work all-round, is the decentralisation of powers and further delegation to Heads of Departments and subordinate officers to the maximum extent possible consistent with public interests. With such a delegation, combined with a real disposition on the part of the higher authority not to entertain applications in respect of matters within the competence of lower authority—unless in regular appeal or review, there would be considerable reduction of work in the several offices and they would then have time to attend to more important matters requiring attention. Every officer should know the extent of his powers and should be made to exercise them without shirking his responsibility and unnecessarily referring papers to higher officers. The powers of sanction of various officers should be defined and "A Book of Powers" should be got printed very early and distributed to all officers. The Bengal Administration Enquiry Committee has similarly urged the imperative need for a distribution of the duties between the

Ministry and the Departments, the work of the Ministries being made smaller in volume but more important in scope, the departments being given simultaneously much more freedom to get on with its job so that the Ministry would be able to concentrate on matters raising issues of Policy, Principle or Politics and the department relieved of the necessity to consult its Ministry on matters of unimportant details. The adoption of such a procedure will result in a considerable reduction of work in the Secretariat.

(i) Holidays and hours of work.

75. The office hours of work are now from 11 A.M. to 5 P.M.

Office Hours—Need for increase in the number of office hours.

Regarding this, the Bengal Administration Enquiry Committee, 1944-45, have observed :

> "We have been told that the average business hours of commercial houses in Calcutta are 9-30 A.M. to 5 P.M. Some of these houses open as early as 9 A.M. but none later than 10 A.M. The present Secretariat hours are 10-30 A.M. to 5 P.M. We recommend that office hours in Government Offices in Calcutta should be from 10 A.M. to 5 P.M."

In our own State, Banks work from 10-30 A.M. to 5 P.M. and the clerical staff are expected to be in the Bank *well before* 10-30 A.M. *Per contra,* in a Government office in spite of several circulars although offices are to open at 11 A.M. the officials and the officers trickle in only long after 11 A.M. and many offices may not have their full complement even by 12 NOON and in several offices work does not start even by 12-30 or 1 P.M.

76. The working hours of Government Offices including Courts in the Bombay Province are stated to be from 10-30 A.M. to 5-30 P.M. on all working days, except Saturdays when the hours are from 10-30 A.M. to 2 P.M.

77. Considering the improvement in the scales of pay effected by Government recently and the fact that in factories and commercial houses one is expected to work 8 hours, it may not be unreasonable to increase the hours of work in Government Offices also, the same being fixed from 10-30 A.M. to 5-30 P.M. ordinarily, except on Saturdays when the hours of work may, as in Bombay, be 10-30 A.M. to 2 P.M. In the mofussil and wherever possible, Heads of Departments may permit

 (B) 18776

offices being held from 8-30 A.M. to 12 NOON and 2 to 5-30 P.M., the same being duly notified. This increase in the number of hours of work and insistence on punctual attendance both by the gazetted and non-gazetted establishment will give so much more time for the disposal of official business that we could then easily retrench *at least* 12½ per cent of the establishment as already recommended.

78. I must however add that this was one of the items included in the Questionnaire that I addressed to the several Heads of Departments and most of them are definitely against the proposal. They say the officials are already heavily worked, an argument which is difficult to accept in a large number of cases. I would therefore venture to suggest for consideration the change of hours as noted above with a view to secure the maximum economy possible by the increase in man-hours thus enabling reduction in staff.

Holidays—Holiday to be co-ordinated with "Act" Holidays.

79. The number of holidays allowed in Government Offices is larger than that allowed in other public institutions like Banks and Business Houses. There is also the system of giving sectional holidays, or holidays to particular communities, in Government Offices. On many of such holidays practically little or no work is done. With a view to secure uniformity of practice in Government Offices, Banks and Factories, the desirability of having the same holidays for all may be considered. The Bengal Administration Enquiry Committee are also of the same opinion and they say:

> "We could find no justification for the closing of Government Offices on days on which work in commercial offices is generally in full swing and we recommend that Government Offices should be closed only on 'Act' holidays.

80. With regard to partial holidays, no such holiday need be given and the concerned officials may be asked to take casual leave if necessary, or late attendance may when necessary be permitted.

Need for revision of list of Holidays.

81. The Madras Retrenchment Committee has recommended the curtailment of Penultimate Saturdays and this may be considered here also. The list of holidays also appear to require revision in the light of present conditions.

CHAPTER IV.

CONTINGENCIES AND OTHER CHARGES.

What expenditure contingencies include.

In order to defray the petty expenditure incidental to official business, provision is made in the budget of each department under the head "Contingencies." The expenditure includes—

1. Rents, rates and taxes,
2. Purchase of books and furniture,
3. Repairs to furniture,
4. Tour charges,
5. Postages,
6. Clothing to peons, and
7. Miscellaneous office expenses.

Increase in contingent charges in recent years.

2. The expenditure under this head has gone up considerably in recent years, as indicated by the figures noted below :—

Total expenditure on Contingent Charges incurred by all Departments.

		Rs.
1938-39	..	5,91,715
1946-47	...	14,76,337
1947-48 (Revd.)	...	19,81,750
1948-49 (Budget)	...	17,25,530

There have been increases in all the departments of Government (Annexure IX (3) and more particularly in the following :—

		1938-39.	*1948-49.*
12.	General Administration :—	Rs.	Rs.
	1. Staff and Household of H. H. the Maharaja.	24,140	1,37,800
	2. Dewan and Ministers ...	4,618	20,000
	3. Legislature ...	2,266	3,500
	4. Civil Secretariat ...	44,728	1,64,200
	5. Audit Department ...	7,829	45,400
		83,581	3,70,900
20.	Police ...	47,218	2,29,000
21.	Medical ...	1,13,786	2,53,700
22.	Public Health ...	21,209	1,59,700
27.	Agriculture	31,607	1,08,000
28.	Industries and Commerce ...	16,787	85,200
29.	Co-operative Societies ...	3,183	22,100
31.	Army ...	13,254	46,100

No doubt some increase in the level of expenditure has become inevitable in view of the rise in the cost of materials and labour, higher rentals, etc., while in the case

of some of the departments like the Audit, Police, Medical, Public Health and Army the increase may be also largely due to the expansion of the services. Nevertheless, it is very necessary that the expenditure under this head, should be kept down as far as possible confining the requirements to the barest minimum.

Enforcing economy in contingent expenditure.

3. The expenditure on contingencies being of a discretionary nature, economies could be immediately and effectively enforced with the least amount of interference with the course of official business. The purchase of new furniture may be curtailed and supply of clothing to menials restricted to the minimum necessary. Similarly, tour charges should be considerably reduced. On the whole, taking all the circumstances into consideration, I consider that a general reduction of the grants under contingencies should be effected to the extent of 20 per cent in all departments and up to 30 per cent in the Headquarters offices. Cart hire for carrying office records in the Cities of Bangalore and Mysore accounts for quite a good bit of the expenditure. Now that the Military has got a transport department, Government officers in Bangalore should be advised to make use of these so that all charges paid would be to another department of Government and no malpractices could occur. This procedure is specially suggested for remittance of Treasure. Similarly no cart-hire for carrying office furniture and records to Railway Station and back and for similar journeys should be admitted in respect of departments which have their own lorries or buses available at those places. They should make use of these. Departments having jeeps should, in addition, make them available for tours of their officers whenever possible at rates to be fixed and thus avoid unnecessary extra cost.

Lunch charges and the need to curtail the same.

4. One fruitful source of additional expenditure under this head is the provision of lunch charges or light tiffin at meetings. This has become quite a regular routine and while in the aggregate the expenditure to the State on this account comes up to quite a handsome figure, the utility especially at meetings where only local officers and non-officials are present is very doubtful. I understand the Financial Secretariat is investigating this problem and I presume they would be able to suggest tangible economies under this head. Regarding lunch charges at meetings of the legislatures it is understood that in the Indian Provinces, free lunch is not provided

at Government cost, and only arrangements are made for supply of lunch by canteens on payment. I think there ought to be no objection to our following a similar procedure and thus securing handsome savings in the expenditure under this head.

5. When a similar system was tried here once before, it is understood that no Contractor would agree to run a canteen because many of the members were making other arrangements and not going to the canteen and the proprietor suffered a loss not being able to know how many would take lunch there. Our Government has a number of Guest Houses and it may not be difficult to cater for lunch during meetings of the Legislature through Government agency if no private contractors come up. For other meetings in the Secretariat where lunch is to be provided it should certainly be possible for the Guest Houses to arrange for these instead of asking for Contractors to serve at exorbitant rates.

House-rent.

6. Two of the biggest items of contingent expenditure are now house-rent and telephone charges. Regarding house-rent, I got a statement of Government offices now located in rented buildings from several Government departments and it is seen that the monthly rent now being paid is Rs. 35,615 per month *vide* Annexure XIII. This does not include the Education department which alone is paying Rs. 5,400 per month. The rents paid even in mofussil places are very high indeed and it is often the complaint that in several places the taking up of buildings at high rents by Government is the main cause for the increase in rents. While the location of offices in residential buildings takes away the few available houses for residential purposes it need hardly be stated that these buildings are most inconvenient and unsuited for offices, making effective supervision difficult.

7. The advisability of constructing even as a temporary measure at least simple long halls with a verandah in front for locating the various offices and saving the huge rent now paid is for consideration. This was what was done during War. Economy in space and proper control over subordinates could be secured only if they work literally under the eyes of their superiors.

8. In a placelike Bangalore where the rent paid is Rs. 11,055 per mensem it is a point for consideration why

the available Government buildings like the Residency should not be used as Government offices saving considerable sums of money. Again even in the existing accommodation while the space is very cramped in some offices in others space is wasted. Considerable saving could be effected if a survey of existing accommodation is effected by a small Committee and maximum use made of all available space.

9. Regarding Telephones, there are a number of Telephones. Telephones given to several officers and offices although in many cases the need may not be great while there is great demand for phones by private people which would yield us revenue. The telephones now installed in offices or residences where they are not really necessary *for Government purposes* may be removed irrespective of the status of the officer concerned. These suggestions have been further discussed in the note regarding Automatic Telephones.

CHAPTER V.

The main divisions of the Government Accounts are (*a*) Revenue, (*b*) Capital, (*c*) Debt, and (*d*) Remittances.

2. The first division deals with the proceeds of Taxation and other receipts classified as Revenue and the Expenditure therefrom, the final results of which are taken as the surplus or deficit of the years Revenue Accounts. The object of the present investigation being mainly the "balancing" of the "Revenue Accounts" attention has been paid in this chapter to the scrutiny of the Receipts and Expenditure under each head of Revenue or Expenditure with a view to augmenting the Revenue and economising the Expenditure.

3. A review of the position relating to Capital and Ways and Means which includes the net effect of the transactions under Debt and Remittance heads has been made in Chapters VI and VII.

I AND 1. LAND REVENUE.

(i) *Receipts.*

Statistics of Revenue.

Land Revenue which formerly used to be the biggest single item of revenue of the State yielded the pride of place to Excise and Income-tax and is now only the third biggest item. But even so, the receipts under Land Revenue perhaps account for one of the largest and most stable item of our Revenues. I have noted below the receipts under the several sub-heads since 1938-39.

(In lakhs of Rupees.)

Minor	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
1. Assessment on lands.	115·50	110·00	119·77	95·58	118·19	111·24	110·45	110·38	109·36	108·32	101·15
2. Quit-rent of Minor Inam villages including Kayamgutta.	5·35	5·35	5·49	4·73	5·29	5·28	5·49	5·54	6·50	5·35	5·00
3. Rent on Toddy Trees.	·04	·04	·01	·04	·02	·05	·01	·01	·01	·01	·01
4. Fees for Revenue Survey Records.	·08	·08	·07	·10	·05	·06	·06	·04	·04	·04	·05

(In lakhs of Rupees.)

Minor	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
5. Miscellaneous.	19·00	16 00	17·95	14·61	16·52	15·11	16·77	15·76	15 84	15·34	13·77
6. Fees levied for Phod work (other than fees realised under Records of Rights Scheme).	·09	·09	·08	·21	·06	·08	·09	·07	·19	·07	·06
Total ...	140·06	132·06	143·37	115·27	135·13	131·82	132·85	131·80	130 94	129·13	120·04
7. Deduct—											
(i) Refunds.	2·65	2·65	2·65	2·58	2·24	2·31	2·75	2·44	2 86	2·72	2·32
(ii) Malnad Land Inam payments.	·16	·16	·17	·15	·15	·15	·15	·15	·21	·14	·15
(iii) Commission payable to inamdars for collecting water-rate from Kadim Tenants.	·05	·05	·02	·05	·04	·44	·03	·06	·02	·03	·05
(v) Amount transferred to Krishnarajasagar.	1·46	1·46	1·47	1·46	1·46	1·46	1·46	1·46	1·10	1·47	1·43
Total ...	135·74	127·74	139 06	111·02	131·24	127·46	128·46	127·69	126·76	124·77	116·09

Re-settlement over due.

It will be seen from this statement that while there have been wide fluctuations under other Revenue heads consequent on the War there has been very little change under Land Revenue mainly due to the fact that for some reason or other, Revision Settlement of several taluks which is already overdue has been postponed. According to a statement obtained from the Survey Department (Annexure XV), re-settlement is overdue in 27 taluks from the dates noted against each. This is very unfortunate considering that although prices of food-grains and other agricultural products have risen very considerably during the last 5 or 6 years, Government has not been able to get its share of the benefit in the shape of increased revenue owing to the postponement, for whatever reason, of the resettlement. This perhaps may not have mattered very much when the revenues of the State yielded a substantial surplus, but now that our receipts fall far short of our expenditure and with the certain prospect that while receipts tend to diminish the expenditure is and

would go on increasing, it is absolutely necessary and equitable that land revenue is made to yield its proper share to the Ex-chequer.

Levy of surcharges pending settlement.

2. According to Sections 115 and 116 of the Land Revenue Code :—

> "A revised assessment is fixed with reference to general considerations of the value of land, whether as to soil or situation, prices of produce, or facilities of communication (Sec. 115 of L.R.C.). Improvement effected at the cost of Government entails a revised assessment (Sec. 116 L.R.C.).

As the value of land and prices of produce have increased about three-fold since the last valuation and facilities of communication have vastly improved, the case for increase in assessment fixed over 40 years ago is unassailable.

3. Although perhaps under present conditions a 100 per cent increase in Land Revenue would not be unfair, under the general instructions issued by Government in this behalf, certain maximum limits in respect of increases in assessment that may be made at any Revision Settlement (*vide* para 192 of the Revenue Manual) appear to have been prescribed. These restrictions are no doubt not statutory and we may expect a considerable increase in the existing rates when re-settlement of taluks which is overdue is taken up and the existing rates revised. But this process is bound to take a long time. I would therefore suggest that for the time being, *i.e.*, until the revision settlements are effected, an immediate levy of a surcharge of $33\frac{1}{3}$ per cent on all items of Land Revenue may be made and action taken immediately to order revision settlement of these taluks as quickly as possible. Regarding the proposal to levy a surcharge, this suggestion is by no means a novel one. The very same suggestion has been made very recently in other places in India. If any further justification is needed, we have only to mention the immense advantages the rural population of whom the agriculturists form a major portion derive and are likely to derive by the implementation of our intensive development programme of Agriculture, Live-stock improvement and Rural Development. All these are designed to improve the economic conditions of the raiyat and considerably add to his material prosperity. They also mean a large expenditure to the State and the raiyat would not, it is presumed, grudge a small increase in Land Revenue which is perhaps less than 3 per cent of the increased prices of produce in order to finance the

above. Above all, the rates for food-grains have recently been increased substantially and there can be no reasonable complaint if a surcharge is levied.

Committee recently formed would, it is anticipated, examine the question of levy of Agricultural Income-tax.

4. While making this suggestion, I am aware that a Committee has been recently constituted by Government to go into the question of our Land Revenue policy. This Committee would doubtless go into all matters connected with the existing system of settlement, etc., and make suitable suggestions to the Government. One of the items this Committee may consider would perhaps be the assessment to be levied on uneconomic holdings. Perhaps also a distinction would be made between basic (dry) assessment and water-rate the latter being separated from the assessment. I would not like to anticipate their discussions and decisions, but it is hoped that they would also come to the irresistable conclusion that viewed as a whole, Land-tax as an item of Government Revenue *must* yield its proper share of income to the State and any suggestions that they make will not reduce the State's income from this source but would only involve re-adjustments in the burden of the incidence. The question of levying "Agricultural Income-tax" would doubtless also come in for examination.

Increasing water-rates.

5. A most important source of improving our existing Revenue is by increasing water-rate under Krishnarajasagara and other large Government Irrigation Works. These rates were fixed years ago and although in the Mutchalikas taken in the Irwin Canal area there is a specific provision for revising the rate after a prescribed period, I understand no such revision has yet been made. A committee appears to have been formed to examine this question but it does not appear to have completed its deliberations. Consequently, the same water-rate as was levied when irrigation started in this area is still being levied irrespective of the crop, and irrespective of whether the water is used only for a single crop or a double crop also.

6. When the present water-rate of Rs. 10 was fixed, I believe, first class paddy was fetching about Rs. 7 a palla or perhaps less and sugarcane about Rs. 7 per ton. Now paddy fetches over Rs. 20 per palla and sugarcane about Rs. 35 to Rs. 40 per ton, but Government is getting the same old water-rate. And water-rate is the smallest item of expenditure under cultivation expenses. It is, therefore, high time that both the rates and system of levy of water-rate is changed. Water-rate should really

be levied on the basis of crop raised and not at so much per year per acre whatever the crop, and whatever the number of crops taken. Our outlook on various matters is rapidly changing and we need not adhere to the old methods of levy of water-rate. One fundamental principle is that taxation should have some relation to the income earned and the ability to shoulder the burden. Extending this principle to agriculture, I think, it is only fair to levy an increased water-rate on commercial crops like sugarcane and mulberry, a lower water rate for paddy and a still lower rate for growing ragi or other irrigation dry crop. From this point of view, a water-rate of Rs. 35 to Rs. 40 for sugarcane and other commercial crops, Rs. 15 to Rs. 20 for paddy and Rs. 5 to Rs. 8 for irrigation dry crops may not be too much under present conditions. After all, whatever arguments may be brought forward for reduction of the basic assessment on lands, there can be no argument in respect of water-rate levied on account of irrigation works constructed and maintained at the expense of Government and more especially when the capital for this purpose has been found from borrowed funds. What with increased costs all round, the expenditure on maintenance of our irrigation is also increasing and it is only fair that the general tax-payer should expect an adequate return on these works *when it is possible to do so* without unnecessarily burdening the raiyat.

Increasing area under cultivation.

7. Again in Mysore we are not encouraging the taking of a second crop at all. Our population is increasing while the area under food crop is not showing a proportionate increase. I note below a statement showing the population, area available for cultivation, area cultivated fallows and area under food and commercial crops :—

(In areas)

Year	Population*	Total arable land available for cultivation	Arable land available per capita	Area under occupancy	Area under occupancy per capita	Area actually cropped	Area occupied per capita	Area under food crops	Area under food crops per capita	Cultivable waste
1885 ...	4,186	8,448	2·02	5,180	1·22	4,474	1·07	3,947	0·94	3,313
1895 ...	4,944	8,503	1·72	6,791	1·35	5,895	1·19	5,267	1·06	1,712
1905 ...	5,539	8,642	1·56	7,264	1·31	5,257	1·07	5,173	0·93	1,370
1915 ...	5,806	8,562	1·47	7,671	1·32	6,244	1·08	5,300	0·91	899
1925 ...	5,979	7,700	1·46	8,100	1·35	6,268	1·05	5,236	0·88	690
1935 ...	6,557	8,951	1·37	7,943	1·21	6,065	0·92	5,069	0·77	1,008
1945 ...	7,329	10,221	1·39	8,186	1·12	6,548	0·89	5,344	0·73	2,035

*(The figures are in thousands).

The per capita acreage under food crops has decreased from 1·06 in 1895 to 0·73 in 1945-46. While the total arable land has increased, the increase is not in proportion to the population. At the same time the cultivable waste and fallows have both increased. The importance of this in this note is that increased area under cultivation will bring in more land revenue and increased area under food grains will reduce the subsidy payable for imported food grains. We should therefore take immediate steps for (i) increasing the area under cultivation by (*a*) seeing that large areas are not left fallow, and (*b*) bringing more land under cultivation, and (ii) encouraging the taking of two crops wherever possible. Regarding (ii) *i.e.*, encouraging taking a second crop we have to provide also necessary irrigational facilities. An additional water-rate of 50 per cent of that levied for the first crop may be levied and water made available for a second crop. This would be a great encouragement and an incentive to raise more than one crop on the same land. To meet the extra demand for water on this account in the Irwin Canal area we would impound water in the tanks (now breached) in the last rain and use it for the second crop and leave the bed dry before February, this programme being made to fit in with the anti-malaria campaign of the Health Department. This is not difficult and I am confident with a little firmness and persuation the raiyats could also be made to accept the above proposals, bringing in its wake prosperity both to themselves and to the State.

Encouraging taking of a second crop.

8. While on this subject, I would also suggest a similar method of approach in regard to the assessment on the atchkat lands of major and minor tanks and instead of a composite wet rate, *i.e.*, dry assessment *plus* water rate being levied as at present the two may be separated into a basic "dry" assessment and a separate water rate, the water rate being payable only in years when wet crops are grown. If the above method is adopted our remission rules will also be considerably simplified, since in a season of draught the small quantity of water available could be utilised to irrigate only those areas which it can reasonably irrigate and *full remission of water-rate* given to all the other areas on which raiyats could take a dry crop. The water-rate could then also be suitably increased an increase of 50 per cent may not be much and we can take over from the raiyat his responsibilities for the maintenance of tanks (which is rarely being enforced). Our tanks are an asset

Separation of dry and wet rate under tanks and increasing wet rates on irrigated lands.

which we have inherited from our forefathers and it is for us to see that these are not dissipated or allowed to get into disrepair.

Cultivation of land now left fallow.

9. Regarding increasing the areas under cultivation, it is necessary to examine the reason for the large increase under fallow and whether this cannot be prevented. The Taluk and District Development Committees to be newly organised may be requested to examine this question in respect of each taluk and should also encourage by taking suitable measures in bringing in more areas under cultivation.

Revenue of date groves and Amrit-mahal Kaval lands for cultivation.

10. The introduction of prohibition is going to release a large extent of good arable land for cultivation. Much of this may be very good for khushki bagayat cultivation. I understand, about 85,000 acres are being released in the three districts where prohibition has been introduced and when prohibition is introduced into the whole State, we may expect *at least* another 85,000 acres to be released. Similarly, 40,000 acres may be expected to be released out of Amrit Mahal Kavals. The sale of these would bring in an additional Revenue of about a crore of rupees and a recurring additional annual land revenue of about Rs. 2 lakhs. If we are to get the best return from these sales we must graduate the same and time them so that the sale may give the best results. This would also be a good anti-inflation measure as it would draw away from the agricultural population the surpluses they have accumulated on account of increased prices of food grains, etc., for the investment of which there is no suitable outlet for them.

Increase of assessment in respect of coffee and cardamom lands.

11. The Deputy Commissioner of Chikmagalur suggests that rates of Land Revenue in respect of coffee and cardamom lands may also be raised from Rs. 1-4-0 to Rs. 2 per acre. This suggestion may be accepted. This will fetch an additional revenue of about a lakh.

Improving "Amrai" Revenue.

12. There is a feeling that the present method of sale of Amrai is not fetching all the Revenue it could. No better alternative has however been suggested. An enumeration of the trees included in the Amrai sales and greater publicity may perhaps bring in additional revenues. What exactly the additional revenue that could thus be secured is difficult to say.

Increase of stamp fees.

13. Another method of augmenting revenues is by raising the rates of stamp fees. Several kinds of petitions require to be stamped with one anna stamps. They may be raised to two annas. Similarly we may enhance to Re. 1

the stamp fee on all applications which now require a stamp of Re. 0-12-0. These increases will be so small in each individual case that it will not be felt at all, but would be taken into account under stamp revenue.

14. If these proposals are accepted additional Revenue as under could be secured.

(*Rs. in lakhs.*)

		Recurring	Non-recurring
1	By levy of 33⅓ per cent surcharge on all items of land revenue about ... ... (When revision settlement is introduced the surcharge will cease but it is expected that this will be made up by increased assessments).	38·00	...
2	By release of date-groves for cultivation consequent on the introduction of prohibition :—		
	(i) Income by sale of lands at upset price about	...	75·00
	(ii) Additional land revenue from new lands	2·50	...
3	By release of Amrit Mahal Kaval lands for cultivation :—		
	(i) Income by sale of lands at upset price about	...	25·00
	(ii) Additional Land Revenue from new lands	0·50	...
4	Normal increase by grants of land for cultivation, etc., about	2·00	...
5	By revision of water-rate in Irwin Canal area about	13·00	...
6	Do under other large Reservoirs about	2·00	...
7	By raising the rate of assessment on coffee and cardamom lands from Rs. 1-4-0 to Rs. 2 ...	1·00	...
	Total ...	59·00	100·00

(ii) *Expenditure.*

Statistics of Expenditure.

15. The following table gives the expenditure under Land Revenue under several Minor Heads since 1938-39:—

(Rupees in lakhs)

Minor Heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
1. Revenue Commissioner.	·85	·89	·69	·71.	·72	·88	·72	·66	·64	·64	·63
1-A. Civil Liaison.	.07	...	...	...	...	...	...	...	...	...	...
2. Charges of District Administration.	21·27	21·41	17·21	16·70	16·43	15·83	16·55	16·77	16·30	16·08	15·42
3. Remuneration to Shanbhogs and Patels.	16·28	19·30	14·08	13·09	13·98	13·29	12·73	10·54	10·71	10·87	10·42
4. Department of Land Records, Survey and Settlement.	2·20	1·78	1·49	1·40	1·51	1·69	1·60	1·71	1·74	1·62	1·51
5. High Price and Dearness Allowance.	7.71	...	...	...	...	...	...	...	...	...	...
Total ...	48·30	43·38	33·47	31·90	32·64	31·69	31·60	29·68	22·39	29·21	27·98

The increase in 1948-49 is, on account of enhancement of potgi to village officers (Rs. 6·30 lakhs), inclusion of dearness allowance (Rs. 7·71 lakhs) under this head, lumpsum for revision of scales (Rs. 3 lakhs), and inclusion of Civil Station (Rs. ·60 lakhs).

16. *Gazetted Staff.*—During this period, the number of charges of Assistant Commissioners and of Amildars have increased as under:—

Designation	1938—39	1948—49	Remarks
Revenue Sub-Division Officers.	16+2 Tempry.	19+2 ..	Temporary.
District Treasury Officers ...	8 ...	9 ...	Consequent on the formation of Mandya Districts.
Assistants to the Revenue Commissioner.	2 ...	2+1 ...	For disposal of assets of Military Camps.
Personal Assistants to Deputy Commissioners.	2 ...	2+1 ...	.....
Special Land Acquisition Officers.	1 (K.R.S.)	2 ...	(For K.R.S. and Bangalore)
Special Officer for grant of lands to Military Personnel.	...	1 ...	.. ...
Amildars in charge of Taluks ...	74 ...	79 ...	Consequent on conversion of Sub-Taluks to Taluks.

Establishment.

17. The establishment has increased from 1,849 hands in 1923-24 to 2,007 hands in 1938-39 and to about

3,239 hands in 1948-49, *i.e.*, there has been an increase of over 50 per cent.

Abolition of the post of Additional Assistant to the Revenue Commissioner.

18. Regarding increases in Gazetted staff, the Revenue Commissioner has stated that the post of Additional Assistant sanctioned to him to attend to work relating to the disposal of Assets of Military Camps purchased by Government and surplus stores disposals, may be retrenched with effect from 1st January 1949 as the bulk of the work may be over by then, any remaining work being transferred to his First Assistant. This may be given effect to.

Abolition of the post of Special Officer for grant of lands to Military personnel.

19. The Special Officer for grant of lands to Military Personnel work under the Revenue Commissioner though the cost of his pay and his establishment is met from the Military Budget. The continuance of this staff for one year from 8th April 1948 is stated to have been sanctioned by Government, and the Revenue Commissioner proposes its retrenchment thereafter. This officer does not appear to have full time work and there is hardly any justification for his continuance. There were only 128 cases pending on 1st September 1948, and the pendency may be much less now. The post may be abolished and one of the Assistants to the Revenue Commissioner asked to attend to this work.

Abolition of the post of Personal Assistant to the Deputy Commissioner, Shimoga.

20. The Revenue Commissioner is also agreeable to the post of Personal Assistant to the Deputy Commissioner, Shimoga District, being abolished from 1949-50. When I visited Shimoga recently, I found that the District Treasury Officer, Shimoga, was not heavily worked. The post of Personal Assistant may therefore be abolished immediately.

Abolition of the post of Special Land Acquisition Officer, Bangalore.

21. I have suggested in a separate note that the post of Special Land Acquisition Officer, Bangalore, and his establishment may be disbanded immediately, and this may be given effect to. The acquisition work remaining may be attended to by the respective Revenue Sub-Division Officers.

Abolition of the posts of Rural Development Officers and Depressed Class Officers.

22. The number of Sub-Divisions has increased by two since 1938-39, and the number of Amildars' charges increased by four by conversion of some of the Sub-Taluks into Taluks, etc. At the same time however Revenue Sub-Division Officers have been divested of Income-tax, Magisterial and Excise work. The suggestion therefore has come from many quarters that the post of Sub-Division Officer may be abolished, each Deputy Commissioner being given the assistance of a Senior

Officer at District Headquarters to attend the routine work. It is argued that this would enable, the abolition of 10 posts of Assistant Commissioner (19 Sub-Division Officers,—9 Officers to be given one to each district) and a good bit of the establishment now working under them. The suggestion however does not commend itself to me. The Sub-Division Officer can be and often is a great factor in Revenue Administration and Rural Development and a good Sub-Division Officer takes away a large slice of work and responsibility from the Deputy Commissioner leaving him plenty of time for original work. Rural Development work is increasing in importance and no officer is better suited to attend to its proper performance as the Sub-Division Officer who can guide and supervise the work done in the taluks. It is not the post of Sub-Division Officer that is unnecessary but the separate posts of Rural Development Officers. These can be abolished and their work entrusted to the Sub-Division Officers. Similarly, the Depressed Class Officers who are now doing mostly Liaison work between Revenue Officers and Depressed Classes are superfluous. These posts may be abolished and the Sub-Division and Taluk Officers made to do that work in addition. The Revenue Commissioner also concurs in the above views and I suggest that the posts of District Development and Depressed Class Officers may be retrenched.

Reduction in the number of Districts, Taluks and Hoblies.

23. One method of economising expenditure on District administration is by increasing the size of our Districts, Taluks and Hoblies. The number of taluks may be reduced to about 50, each taluk having about six hoblies and a population of about 1½ lakhs. If this is done and every Sub-Division Officer's charge includes at least four taluks (as revised) a reduction of about six Sub-Divisions is possible. The number of hoblies may similarly be reduced, each hobli having at least 60 villages. Even otherwise the following Sub-Divisions may be retrenched :—

Chikmagalur Sub-Division,
Tumkur Sub-Division,
Chennagiri Sub-Division.

Abolition of 3 Sub-Divisions and small taluks like Molakalmuru, etc.

If the proposed reduction in the number of taluks would take time some of the smaller taluks like Molakalmuru, Bagepalli, Narasimharajapura, Periyapatna, etc., that are an unnecessary luxury, may be abolished and absorbed in neighbouring taluks by a suitable redistribution without creating once again any Sub-Taluks.

Establishment of the Revenue Commissioner's Office.

24. There are in this office three Superintendents, 13 First Division Clerks, 14 Second Division Clerks and an Assistant Record-keeper. In addition, there is also a "Manager" of the rank and status of an Amildar. The Superintendents are in the grade of Rs. 170—10—250. When there are such highly paid Superintendents and there are also two Assistants to the Revenue Commissioner I do not see the necessity to have a Manager (of Gazetted status) as ministerial head of the office, intermediary between the office and the Gazetted Assistants. Such unnecessary intermediaries merely cause delay and annoyance. The Superintendents may be treated as the ministerial heads of their respective sections, the senior Superintendent dealing with matters common to the whole office, and they may work directly under the Gazetted Assistants. The post of Manager may be abolished.

25. As regards the clerical staff, I could not make any specific suggestions regarding the extent of reductions possible, in the absence of detailed information regarding the amount of work in the office and its distribution among the staff, etc., but in view of the imperative need for economy at present, I think that it should be possible to effect a retrenchment to the extent of at least 12½ per cent and the Revenue Commissioner may be requested to do this.

Abolition of certain posts in District and Taluk Offices.

26. The Revenue Commissioner has not favoured me with any suggestions in regard to the scope for effecting economies in respect of non-gazetted establishments in the District and Taluk Offices. He contents himself with saying that the existing permanent staff "is considered to be the minimum strength essential to carry on the normal work of the Department." In the course of my examination of the work of the office of the Deputy Commissioner, Shimoga, and in the light of my discussions with him, I feel convinced that there is considerable scope for effecting retrenchments both in the District as well as Taluk Offices. The posts of Head Clerk, Judicial Record-keeper, Local Self-Government Clerk in Deputy Commissioner's Offices may perhaps be abolished. Similarly the reduction of at least one clerk in each taluk office is quite practicable. The Deputy Commissioner, Chikmagalur, has expressed the view that 12 clerks may be retrenched in the taluk offices in that district. This is possible also in other districts. I accordingly suggest a reduction of 12½ per cent in the taluk establishment.

Every officer consulted however lays stress on the need to ensure that all the officials posted to taluk (and district) offices know their work, and feels that the present state of affairs under which nearly half, or even more in some cases, are recruits, should cease. I have already discussed this in Chapter III (*b*) and emphasised the need for giving suitable training to all our officials so that a smaller staff could run the offices with greater efficiency.

Menial Staff.

27. Reduction should also be made in the strength of the Menial staff employed in the Revenue Commissioner's Office as well as in the offices of Deputy Commissioners and other subordinate officers as already required by Government Circular No. Fl. 89-165—G.F. 206-47-22, dated 1st July 1948, and immediate steps taken to disband the staff in excess of the admissible limits.

Having two grades of Amildars.

28. There is at present only one grade of Amildars and their pay has been revised to Rs. 200—20—300. Most of the Amildars are recruited from subordinate services and the pay of the officials so recruited will usually be below Rs. 100. Revenue Probationars (who are confirmed as Amildars) would also be getting Rs. 80 during the Probationary period. I would therefore suggest two grades for Amildars, one Rs. 150—200 and the other Rs. 225—300. The junior grade Amildars may be posted to comparatively lighter taluks. One objection may be raised to this and that is that the grades of clerks go up to Rs. 150 in the Revenue Department and Rs. 180 in the Secretariat. This really does not matter at all and as at any time only very few clerks would be drawing the maximum pay the postings of Amildars can easily be suitably arranged to avoid the difficulty anticipated. The number of first and second grade Amildars may be fixed at two to one. No stagnation need be feared since our recent experience has been that quite a good number get promoted as Assistant Commissioners even before they put in five to six years service as Amildars.

Reduction of expenditure under Travelling Allowance.

29. *Travelling Allowance.*—The expenditure under travelling allowance which was Rs. 1,56,039 in 1931-32 and Rs. 1,70,359 in 1938-39 is now Rs. 2,63,880. I have already referred to the need for reduction under this head. We may reduce the allotment by Rs. 50,000. As recommended under the Chapter regarding Travelling Allowance aimless touring should be stopped and Revenue Officers directed to complete the work in any area they are touring before they return to Headquarters in order to prevent

frequent inspections of the same area. Greater vigilance over tour allowance programme will certainly secure these savings.

Reduction of Expenditure under Contingencies.

30. *Contingencies.*—The expenditure which was Rs. 31,203 in 1931-32 and Rs. 42,686 in 1938-39 is now Rs. 49,200. A ten per cent reduction may be made and the allotment fixed at Rs. 44,000. The Deputy Commissioner, Chikmagalur, considers that this is quite possible.

Suggestion to have stipendiary village officers with larger jurisdiction.

31. Potgi *to Village Officers.*—There has been an increase of Rs. 5·78 lakhs under this head in 1948-49 compared to what it was in 1938-39 due to enhancement of *potgi* to Shanbhogs and Patels by Re. 0-4-0 in the rupee in October 1942 and further increase of Re. 0-4-0 in the rupee ordered in September 1947. At present the village officers are hereditary and they are part-time. The mode of collection of Land Revenue has also remained the same since the last 60 years. Although there is considerable criticism about the correctness of our Revenue accounts and the statistics collected particularly the *pahani*, no attempt has been made to improve or raise the standard of these accounts and statements. It is a matter for consideration whether in order to get a better class of Shanbhogs or Village Accounts we need not have stipendiary village officers recruited as far as possible from the family in which the Hak is vested and group a large number of villages together so as to make the *potgi attractive* and enough for a decent living in a village. We may also *make these full-time officers.* Similarly with regard to patels. We could then expect much better and more willing service than at present. The matter however requires a more detailed examination.

Abolition of Jamabandi.

32. The plea to abolish the present Jamabandi system is being made for quite a long time in the Representative Assembly. As per Art. 352, Revenue Manual:

> "The Jamabandi or annual settlement comprises a detailed scrutiny of the village and taluk registers and accounts, with the object of overhauling the village accounts and ascertaining whether all items of land revenue, including the demand for settled villages have been properly determined and brought to account, and whether the statistics prescribed for economic and administrative purposes have been correctly compiled; thus giving the Shanbhogs an opportunity before the close of the year to rectify omissions and defects and reconcile discrepancies....."

I am afraid these objects are not being realised and as at present conducted, the Jamabandi is an unnecessary relic of the old administration. The Jamabandi figures do not represent even the demand on any particular date as the figures are the total of the Jamabandi of the villages comprised in the taluk held on different dates. The actual demand figures are available only at the end of the year when the accounts are finally made up. The village ledgers in the taluk offices are expected to give these figures but they are rarely posted at all either correctly or up-to-date. The unreliability of village statistics has been proverbial and no attempt has been made to rectify this.

33. As far as the accounts portion of Jamabandi is concerned, it is quite easy to replace this out-moded system with a simpler and more accurate and scientific method which would also enable officers to get at the correct demand figures at any time.

34. The other duties of a Jamabandi officer are inspection of cultivated and uncultivated waste, prompt and proper disposal of:—

(*a*) Encroachments;

(*b*) Darkhasts for relinquishments and transfers of land;

(*c*) Examination of Khirdis (Cash accounts);

(*d*) Claims of remission;

(*e*) Collection of Khists as they fall due;

(*f*) Refund of over-payments by raiyats, etc.

(*g*) Disposal of Takrar Takhtas, etc.

All this need not be done only during Jamabandi. In fact, they require constant and contiguous attention during inspections of Revenue Officers. Since during olden days communications were difficult and facilities for travel did not exist, Jamabandi time, when an officer toured in the interior of a taluk, was fixed as the most convenient for attending these duties.

35. Now-a-days these can be better done by a proper and well ordered programme of work and inspections without all the fuss and congregation with which a Jamabandi is associated. The Jamabandi Officer even if willing would not really have sufficient time to attend to most of these items including checking of accounts which in several cases is reduced to a farce. The abolition of Jamabandi whould also be a boon to the village officers who will be saved the petty harassment which is stated to be incidental to Jamabandies.

36. Its abolition will not be regretted and the department may well devise better methods of getting the work intended to be done at Jamabandies properly attended to.

37. If these proposals are accepted savings as under may be anticipated :—

	Items.	*Savings expected.* Rs.
1.	By abolition of the post of Additional Assistant to the Revenue Commissioner ... By abolition of the Special Officer for Military Darkhasts ... ... By abolition of the Personal Assistant to the Deputy Commissioner, Shimoga ...	11,880
2.	By abolition of the Special Land Acquisition Officer and his establishment ...	9,240
3.	By abolition of District Development Officers and Special Depressed Class Officers ...	56,640
4.	By abolition of three Sub-Divisions and six taluks immediately	1,26,000
5.	By abolition of post of Manager, Revenue Commissioner's Office ... ... Reduction by 12½ per cent of the establishment. Reduction of 12½ per cent of the taluk establishment ... ... Reduction in the District establishment ...	86,700
6.	By abolition of Menial establishment ...	39,140
7.	Deleting the provision for purchase of properties for recovery of Government Loans ...	2,410
8.	By changing the scales of Amildars to 54 (150—10—200) and 27 (225—15—300)...	51,300
9.	Reduction in allotments under :— Travelling Allowance ... 50,000 Contingencies ... 5,000	55,000
	Total	4,38,310

Note.—(1) The savings expected if a reduction in the number of Districts, Taluks and Hoblies is accepted is not taken into calculation.

(2) Some savings may also be expected by a suitable reorganisation of the Village Offices.

1. Land Revenue.

(2) *Special Land Acquisition Officer, Bangalore.*

Statistics of work.

This office was first constituted in the beginning of 1943 to deal with cases relating to the acquisition of lands for the Hindustan Aircraft Factory. Some work or other is since being added on from time to time and the term of the office is being continued. With a view to see whether there was work for a full time Land Acquisition Officer, an Auditor of the Efficiency Audit Department was deputed to visit this office and collect particulars regarding the work done so far in this office and that still remaining to be completed. A statement of the cases dealt in this office is noted below:—

Year	Number of cases		Total	Number of cases	
	Pending	Declared		Disposed	Pending
1942-43	...	173	173	106	67
1943-44	67	821	888	636	252
1944-45	252	410	662	616	46
1945-46	46	717	763	734	29
1946 47	79	936	965	815	150
1947-48	150	415	565	410	155

The statistics collected show that during several months there were either no disposals at all or very few. The work done in this office is very inadequate for a full time officer and could well be attended to between the Civil Officers, the Revenue Sub-Division Officers and the Personal Assistant to the Deputy Commissioner.

2. In June 1948 the Deputy Commissioner appears however, again to have recommended to the Revenue Commissioner that this office with the staff of one First Division Clerk, two Second Division Clerks, one Revenue Inspector, five peons may be continued till the end of December 1948. Once a special office is formed, the tendency is for all new land acquisition work in the surrounding area to be tacked on to the special officer from time to time and continue the temporary appointment indefinitely.

No justification to continue this post as a full time job.

3. Now that the Revenue Sub-Division Officers have not got much work either in connection with food acquisition or Income-tax, there appears to be no justification continuing the separate whole-time post of a Special Land Acquisition Officer at Bangalore. The Officer and his establishment may be disbanded immediately, and the

pending work distributed among the respective Revenue Officers.

This will result in a savings of at least Rs. 9,240 per annum.

1. Land Revenue.

(1-A) *Civil Liaison and Surplus Stores Disposals Establishment.*

Certain temporary establishments have been sanctioned by Government for work relating to the above. I note below particulars of establishment at present sanctioned for this purpose. I had discussions with the Revenue Commissioner relating to these establishments and I note below the reductions proposed by the Revenue Commissioner and the further reductions which, I think, could be made :—

(i) (*a*) *Civil Liaison Establishments.*

Existing Establishment	Proposed by the Revenue Commissioner for continuance	Recommendation of the Economy Officer
1. One Clerk on Rs. 60 2. One Clerk-Typist on Rs. 40.	To continue on their grade pay plus deputation allowance of 20 per cent from 1st January 1947.	One clerk may continue. The other post and 20 per cent allowance may be retrenched.
3. One Clerk on Rs. 40 ...	May be retrenched ...	.....
4. Two peons for work under first Assistant to Revenue Commissioner.		
5. One peon ...	To continue ...	The D. A. of Rs. 50 and the three peons may be retrenched.
6. D. A. Rs. 50 and C. A. Rs. 30 to First Assistant to Revenue Commissioner for attending to this work.		

The original work relating to the Civil Liaison is attended to by Civil Officer, Bangalore, and the work to be done in the Revenue Commissioner's Office relates mainly to checking of bills sent, etc. It would, I think, be sufficient if no clerk is sanctioned for this work for the Revenue Commissioner's Office. Further this small section need not be a separate unit and it may be amalgamated with the Surplus Stores Disposals establishment for charge of which a separate officer has been sanctioned as Third Assistant to the Revenue Commissioner. This merging will avoid the need for three peons and a separate typist and a special allowance of Rs. 50 to the First Assistant.

The First Assistant may be relieved of the Liaison work and it may be added on to the Third Assistant. Further there is no need to provide for 2 peons for him under this head as he would have already been allowed the normal scale of peons as Assistant to the Revenue Commissioner.

(b) Civil Office, Bangalore.

Existing Establishment	Proposed by the Revenue Commissioner	Recommendation of the Economy Officer
2 Civil Liaison Officers with 2 peons each.	May continue with only one peon each.	The Liaison Officer usually do not have much work and it is a matter for consideration if full time Liaison Officers are necessary at all. The aspect of the question would have to be re-examined by the Revenue Commissioner. There is, however, no need for the Special Sheristedar whose place may be retrenched.
One Special Sheristedar on Rs 80 *plus* 20 F.T.A. and one peon.	May continue ...	.....
Two Clerks on Rs. 50 ...	May continue ...	.....
Do Rs. 40 ...	To be retrenched ...	.....
One Special Surveyor on Rs. 50 *plus* Rs. 20 F.T.A.	To be retrenched ...	.....
One peon ...	May continue ...	.....
	Allowance of Rs 10 to be given to the Typist who attends to Liaison work, with effect from 16th January 1948.	May be given from the date of order.

(c) Deputy Commissioner's Office, Kolar.

One Clerk on Rs. 40 ...	To continue ...	The whole establishment may be retrenched.
One Surveyor on Rs. 45 *plus* Rs. 10 F.T.A.	To be retrenched ...	
Two peons on Rs. 10 each ...	One peon to continue ...	

As all the camps are de-requisitioned except the Aerodrome, there is no need for the continuance of any establishment solely for this work in the Deputy Commissioner's Office. The whole establishment may go and the work distributed among the existing staff, an allowance of Rs. 10 being given to the Clerk entrusted with this work.

(ii) *Surplus Stores Disposals.*

3. Establishment for work connected with the disposal of Military assets purchased by Government.

Existing Staff	Proposed by the Revenue Commissioner to be continued till the end of December 1948
One Assistant Commissioner ...	To continue.
One Special Sheristedar on Rs. 80 *plus* 20.	
One Clerk on Rs. 60 ...	
Four peons (2 for Assistant Commissioner, 1 for Special Sheristedar and 1 for Office).	
One Supervisor ...	
Six Surveyors ...	Three Surveyors to be retrenched and 3 to continue.
Seven Peons ...	Three Peons to be retrenched and 4 to continue, (3 for Surveyors and 1 for Supervisor).
Allowance of Rs. 10 for attending to typing work.	To continue.

It is stated that "excepting the Main Supply Depot area the assets of which have been purchased by Government for the Prisons Department—the work in the other camps where the assets have been purchased by Government has been almost completed", but that there are still heavy outstandings to be collected. It is added that all the camps are to be remeasured, boundary marks fixed and the owners put in possession of their lands. There has been hitherto a large staff of one Supervisor and six Surveyors and it is not clear what work these did till now. The Revenue Commissioner proposes to retain one Supervisor and three Surveyors (till the end of December 1948). No indication of the area involved and whether three Surveyors are necessary is furnished. These may be required to complete their work as early as possible, say within 3 months, and disbanded thereafter this. One more peon could be retrenched and the remaining seven peons distributed as under:—

Assistant Commissioner	...	2 peons.
Special Sheristedar	...	1 peon.
Supervisor	...	1 ,,
Three Surveyors	...	3 peons.
Total	...	7 ,,

4. (*b*) *Establishment of Special Officer.*—

Existing Staff	Proposed by the Revenue Commissioner	Recommendation of the Economy Officer
Four Clerks ... One Sub-Overseer ... Nine Peons ... An allowance of Rs. 10 to clerk maintaining accounts.	To continue unreduced.	One clerk, one Sub-Overseer and 1 peon to be reduced. The allowance referred to is not necessary.

The work remaining to be done seems mainly to relate to closing of files, recovery of value of assets and rendering final accounts. I am not sure if as many as 4 clerks are necessary for this. The need for a Sub-Overseer too is also not clear at the present stage. One peon also may be retrenched. The position may be further examined after three months.

5. As already stated, all these establishments working under the Revenue Commissioner may be consolidated and placed under the Third Assistant to the Revenue Commissioner and he may be allowed the usual D. A. of Rs. 50 *plus* C.A. Rs. 30 (now given to the First Assistant for the Civil Liaison work). There is no need to enhance the D.A. of this officer to Rs. 100 as proposed by the Revenue Commissioner. The staff for the combined Branch in the Revenue Commissioner's Office would be the following as per my recommendations above.

Out of existing Civil Liaison Staff ...	One Clerk on Rs. 60 (or corresponding scale).
Out of Surplus Stores Disposals Staff	One Clerk on Rs. 60 (or corresponding scale). One Special Sheristedar on Rs. 80 *plus* 20 (or corresponding scale). One Supervisor. Three Surveyors.
Out of Establishment of Special Officer, Surplus Stores Disposal ,,,	Three Clerks. Nine Peons distributed as under:— 2 for the Assistant Commissioner. 1 for the Special Sheristedar. 1 for the Supervisor. 3 for the Surveyors at one each. 2 for the Office. — 9 —

N.B.—The technical staff of the Supervisor and 3 Surveyors may be continued only for 3 months at present, and the need for their further continuance examined after seeing the work turned out by them and the work that may still remain.

If these proposals are approved there will be a savings of Rs. 11,000.

1. Land Revenue.

(4) *Department of Land Records Survey and Settlement.*

Statistics of Revenue and Expenditure.

The statement below shows the receipts realised and the Expenditure incurred since 1938-39, both under Land Records as well as under Records of Rights.

.....	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48 (Revised)	1948-49 Budget
RECEIPTS.											
Land Records Section—											
Fees for Resurvey Records ...	·06	·04	·04	·03	·06	·06	·05	·10	·07	·09	·08
Fees levied for Phod Work ... (Other than fees realised under Records of Rights Section).	·06	·07	·19	·07	·07	·08	·06	·21	·09	·09	·09
Records of Right Section—											
(1) Mutation Fees received in maintenance stages.	·50	·91	1·40	2·12	2·79	1·63	1·77	2·21	1·70	1·70	1·70
(2) Other Receipts ...	1·11	1·40	2·82	3·75	3·31	2 81	1·70	1 50	1·42	1·20	1·20
Refunds ...	...	...	...	...	...	...	...	...	·01	·01	·01
Total ...	1 72	2·42	4·45	5·97	6·23	4·58	3·65	4·02	4·27	4·07	3·06
EXPENDITURE.											
Department of Land Records, Survey and Settlement.	1·51	1·74	1·74	1·71	1·60	1·69	1·51	1·40	1·49	1·78	2·20
Records of Right Scheme—											
(*a*) Preliminary Stage ...	2·22	2·40	2·25	2·23	2·31	1·99	2·00	1·95	1·94	2·91	3·65
(*b*) Maintenance Stage ...	·52	·64	·50	·67	·63	·59	51	·70	·81	1·21	1·07
Total ...	4·25	4·56	4·49	4·51	4·54	4 27	4·02	4 05	4·24	5·90	6·92

2. *Expenditure.*—It may be noted that most of the expenditure in this department (more than 80 per cent) is on account of establishment charges and Travelling Allowances. The establishment is on a provincial scale, most of the work being centralised in the Head Office, and the distribution of the Executive Staff also controlled by the Head of the Department.

Revenue Commissioner may again be made commissioner of Land Records Ex-officio.

3. *Gazetted Officers.*—Besides the Commissioner (or Superintendent) there are several officers in charge of districts and one Head Quarter Officer. The work of this department is closely bound up with that of the Revenue Department and the integration of the two departments would therefore render economies possible in various ways. Till recently, the Department had been placed under the Revenue Commissioner (as Ex-Officio Commissioner of Land Records) with a Superintendent of the grade of Deputy Commissioner to assist him. But again, a whole-time Commissioner, on Rs. 1,400 has been appointed

to the sole charge of the Department. A separate whole-time Commissioner for this department appears to be unnecessary and the Revenue Commissioner who has since ceased to be the Commissioner of Rural Development and Depressed Classes may again be made Ex-Officio Commissioner of Land Records with a Superintendent of the status of Deputy Commissioner in direct charge of the department.

Reduction in number of district changes.

4. A reduction in the number of District charges of the Survey Department is also possible by enlarging the jurisdictions of individual officers.

5. *Non-Gazetted Staff.*—An analysis of the present Executive and Ministerial Staff is given below:—

A. MINISTERIAL.

...	Managers	Clerks	Steno-Typists	Mappers	Daffer-bands and Attenders	Total
1. Head Office—						
Land Record ...	2	57	8	25	6	98
Record of Rights ...	...	3	1	...	1	5
Total ...	2	60	4	25	7	98
2. District Offices—						
Land Record ...	...	8	...	...	4	12
Records of Rights ...	...	12	...	...	6	18
Temporary ...	...	6	...	...	3	9
Total ...	...	26	...	...	13	39
3. Taluks—						
Record of Rights ...	...	80	...	...	80	160
Total 1, 2 and 3 ...	2	166	4	25	100	297

B. EXECUTIVE.

.....	Supervisors	Surveyors	Total
Head Office and District Offices, etc.—			
Land Records	10	100	110
Record of Rights	21	250	271
Total ...	31	350	381

Note.—No definite allocation of hands between the Head Office, Districts and other works has been specified by Government.

C. MENIAL STAFF.

.....	Jamedar	Daffedar	Peons	Sweeper	Scavenger	Press man	Wheeler	Stone polisher	Total
Head Office—									
Land Records ...	1	1	8	1	1	1	4	6	23
Record of Rights ...	...	...	1	...	...	...	...	...	1
Total ...	1	1	9	1	1	1	4	6	24
District Office—									
Land Records ...	...	...	21	...	...	...	...	...	21
Record of Rights ...	...	...	6	...	...	...	...	...	6
Supervisors' Peons ..	...	...	8	...	...	...	...	...	8
Total ...	...	...	35	...	...	...	...	...	35
Taluks—									
Land Records ...	...	..	80	...	...	...	...	...	80
Grand Total ...	1	1	124	1	1	1	4	6	139

Amalgamation of Record of Rights with Regular Establishment.

6. One important feature of the Department is that the whole of the Record of Rights Establishment—which constitutes more than two-thirds of the Executive Establishment and a large portion of the clerical staff—is still treated as "Temporary", though the scheme has been in operation for nearly *two-decades*. To mitigate hardship, Government have, however, been pleased to extend some concessions to this staff and the establishment is now treated as on a *quasi-permanent* footing enjoying almost all the privileges of permanent men. The maintenance of the Land Records and Record of Rights' Establishment as two separate units leads to unnecessary overlapping and waste. The Record of Rights establishment was really to have been disbanded—immediately the Record of Rights was introduced throughout the State leaving the maintenance work to be attended to by the regular departmental staff. As the work relating to the introduction of the Record of Rights scheme is practically over, there is no object therefore in continuing the temporary establishment and keeping the two units separate and both in the interest of economy as well as efficiency and contentedness of the staff, it is necessary to amalgamate the two units retaining only the basic staff needed for attending to the regular work of the Land Records department including maintenance of Record of Rights.

7. The surplus staff however need not be disbanded causing hardship to the staff since there is plenty of arrear

work to be cleared and there is also the proposed Inam Survey and Revision Settlement and which if taken up will need quite a good number of experienced men.

Staff required.

8. In order to fix the basic staff required for this department, the Office of the Commissioner of Land Records was inspected in detail and it was observed that there is considerable scope for reduction of staff in every section both in the Land Records and Record of Rights. A detailed note has been separately to Government. I note below the existing and the proposed staff after amalgamation of the Land Records and Record of Rights Staff :—

		Existing	*Proposed staff to be made permanent*
Ministerial	...	297	240
Executive	...	381	141
Menial	...	139	46

I may add that in order to secure the economies indicated in my Note.

(1) It is necessary that the procedure is reorganised and unnecessary and overlapping work reduced as suggested in my Note.

(2) The powers of the District Survey Officers should also be suitably enhanced.

9. I may also add that at the time the Record of Rights scheme was introduced into our State, I believe it was understood, that when the scheme was fully implemented, Revenue Inspectors could look after 'mutations' and do also Phod Work. Now that the salary and grade of Revenue Inspectors are revised and they go up to Rs. 150 (if graduates), and Rs. 100 (if non-graduates), it should be possible to insist on this work being done by them. In the allocation of permanent men I have therefore proposed only one Surveyor for each Taluk. Between the Revenue Inspector and this Surveyor it ought to be possible to attend to all phod, *Hadbust* and Mutation cases promptly. Some taluks may not need even one Surveyor, and in such cases, two taluks can be combined into one charge and the Surveyors thus released treated as District Reserve.

10. The surplus men should be organised into nine batches for nine districts and put on the work of completing the arrears of Hissa and Phod Work. As many batches as are necessary may be provided for completion

of Inam Survey work. It is understood that there is loss of Revenue due to omission to levy water-rates in a majority of cases. This requires to be examined at once and from this point of view also it is necessary that Survey and Settlement is introduced in all Inam Villages. Both these items of work are covered by fees levied by Government and there would be no extra cost to Government if these supernumeraries are properly organised, and put on this work with the condition that these items should be completed within a specified period and according to a calendar of work which should be strictly adhered to. If this is done it is calculated (*vide* below) that according to the standards prescribed by the department, the arrears of Hissa and Phod work should be cleared in 15 months when the entire establishment may be turned over for Inam Survey work. In the meanwhile, these surplus men should gradually be absorbed as and when vacancies occur, but should they retire they would be entitled to pension under the usual rules as these have already come under Article 240 of the Mysore Service Regulations and their vacancies should not be filled up.

11. The arrears of work now outstanding is as follows:—

(1) Measurement in Land Records Phodi cases	...	10,158 blocks
(2) Classification cases	...	9,071 „
(3) Band Pahani	...	8,064 „
(4) R. R. Mutation cases	...	78,195 „
Total	...	105,488 „

The standard prescribed is 4 blocks per day for a Surveyor. Working for 15 days in a month in the field, one Surveyor has to complete 60 blocks in a month or 720 per year. At this rate 146 Surveyors are required to complete the work in one year or a maximum of 15 months.

Need to take up re-settlement work.

12. In this connection, I wish to state that the work of the Second Revision and resettlement is already overdue having been held up for several years. A revision of assessment now would bring in a very welcome additional Revenue to the State since prices of agricultural products have gone up well over 2 to 3 hundreds per cent as compared to the rates prevalent when the Land Revenue was fixed. In view of this, I would strongly

urge the taking up of the work of revision and resettlement in all the taluks. If this is done there will be full work for the surplus staff and the expenditure incurred will not be a fraction of the addition to Revenue on this account.

13. Regarding peons to Surveyors, I do not think it is necessary to give peons to Surveyors. The practice of using such peons for domestic work cannot be prevented. On the other hand these Surveyors may be permitted to appoint coolies on those days on which they have field work. They may be given an imprest of Rs. 30 for payment to coolies and all expenditure recouped by sending a bill to the District Survey Officer in respect of coolies employed indicating the work done. Where the party provides the coolies, of course, no cooly will be engaged.

14. The Commissioner of Land Records has subsequently intimated that he is agreeable to the following retrenchments only :—

(i) One Typist,

(ii) One Supervisor and ten Surveyors in the Durasti Section.

(iii) Replacement of 10 clerks in the General Records by 10 Dufterbands.

(v) Replacement of 4 clerks in the Records Section by 4 Dufterbands.

The above items of retrenchment may be immediately given effect to. I think, however, that with the reorganisation of the procedure in the Head Office as suggested and by avoiding unnecessary and overlapping work, decentralisation of powers and increase of efficiency, it would be possible to bring about further economies to the extent suggested by me.

15. *Augmentation of Revenue.*—In view of the increased expenditure incurred by Government for the several items of service rendered by the department, the rates of fees now levied for these should be enhanced. After consulting the Commissioner of Land Records, a revision of the scales of fees is suggested for adoption. (*Vide* annexure XVI).

16. A. Statement showing the retrenchments and savings proposed is noted below :—

		Rs.	a.	p.
1.	Abolition of whole-time Commissioner and Revenue Commissioner being made the *ex-officio* Commissioner with Deputy Commissioner as Superintendent ...	6,000	0	0
2.	Reduction of District charges by enlarging jurisdiction of individual officers resulting in retrenching 2 officers ...	8,880	0	0
3.	Retrenchments in Ministerial and Executive appointments—			
	(*a*) Ministerial	42,760	0	0
	(*b*) Executive	73,920	0	0
	(*c*) Menial	35,640	0	0
	Total ...	1,67,200	0	0
	Additional Revenue expected owing to increase of rates is	75,000	0	0

II. AND 2—FOREST.

(i) *Revenue.*

Statistics of Revenue.

The forests of the Mysore State have always constituted a fruitful source of revenue and as observed by the Retrenchment Committee of 1931 "there is considerable scope for improving the yield from the forests with increased attention to their proper conservation and regulated development." The Revenue under the several sub-heads during the last ten years is noted below :—

(In lakhs of Rupees).

Sub-heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
1. Sandal Oil.	33·00	35·79	51·83	38·77	21·54	7·36	11·04	12·71	11·20	9·01	8·76
2. Timber and other forest produce removed by Government Agency.	25·89	21·82	29·82	34·89	31·63	25·63	21·72	18·65	15·94	13·10	12·76
3. Timber and other produce removed by Private Agency.	9·46	10·15	12·16	6·88	9·16	5·29	5·21	4·08	3·62	4·18	3·35
4. Forest Industries.	·50	·50	·43	·53	·45	·37	·55	·21	1·11	·83	·62
5. Miscellaneous.	1·16	1·16	1·06	1·50	2·19	1·18	·95	·69	·54	·47	·76
6. Deduct Refunds.	·01	·01	·03	...	...	·01	...	·06	·01	·06	...
Total ...	70·00	69·41	95·27	82 57	64·97	39·82	39·47	36·47	32·40	27·53	26·25

A statement showing the out-turn of Forest produce in the Mysore State from 1932-33 to 1946-47 furnished by the Chief Conservator of Forests is given as an annexure, No. XVII.

Sandal Oil.

2. As the bulk of the Sandalwood extracted from the forests is used for extraction of sandal oil, the main receipts are under sandal oil. The increase under this head from 8·76 lakhs in 1937-38 to 51·83 in 1946-47 is mainly due to increase in prices. The fall in the Budget is stated to be due to the present "market for sandal oil getting weakened and to the lifting of restrictions on imports of sandalwood from outside and partly to a reduction in rates. This matter will be examined separately in connection with the examination of the Sandal Oil Factory.

3. A portion of the wood is however sold as billets. Although the retail sale of sandal wood is bringing a Revenue of 1½ to 2 lakhs every year, it is understood, that the Department has not done much "either to woo or nurse this market." Dr. Ramaswamy, Forest Chemist, Research Laboratory, states in his Survey of Minor Forests products in Mysore, that there is a *big market* for sale of sandal wood billets since in Bombay and other pilgrim centres there is a 'flourishing racket in the sale of worthless timber species masquerading as sandalwood.' As suggested by the Chief Conservator of Forests, Sri Sathe, this Revenue from the sale of sandalwood in the shape of billets stated potentially very big should be exploited. The Chief Conservator estimates the increase at one lakh of rupees on this account and this may be accepted although I should think in view of what Dr. Ramaswamy has stated this should really be much more. Billets.

4. Dr. Ramaswamy also states that the spent-wood which is now being mostly used as fuel could more profitably used in the Perfumery Industry and made to yield Revenue. This should be pursued and a market for the spent-wood from the factories created and thus while improving our revenues an impetus to the Perfumery Industry given.

5. The Chief Conservator of Forests has suggested increasing the sale price of bamboos charged to the Mysore Paper Mills by Rs. 5 per ton and he anticipates a Revenue of Rs. 40,000 from this source. I am not aware of the terms of the existing contract, but in view of the increased costs incurred by the department in the supply of raw materials, the case for a rise in the rate at which bamboo is supplied may be pursued, and additional income on this account secured. Bamboos.

6. The Chief Conservator has also suggested increase in the seigniorage rates on forest produce—mainly fuel and charcoal. It is understood that the license fees on dry fuel has remained the same during the last 30 years although the price of fuel has increased considerably. The suggestion to raise the seigniorage fess as shown below may be approved since after all this will not add much to the ultimate price paid by consumers: Increase in seigniorage rates on Forest Produce.

	Rs.	a.	p.		Rs.	a.	p.	
Green fuel from	0	10	0	to	1	0	0	per cart load.
Dry fuel „	0	6	0	to	0	10	0	„
Charcoal „	0	2	6	to	0	4	0	per bag.

7. The Chief Conservator has also suggested an increase in the seigniorage on fuel-charcoal supplied to the Mysore Iron and Steel Works. The prices of local iron and steel are already very high as compared to Tatas and I doubt, therefore, if it would be in the interest of the State as a whole, to increase the "seigniorage" rates thus increasing manufacturing costs. This will however be examined while dealing with the Iron Works and further proposals submitted. The Iron works should however pay at least a part of the cost of re-aforestation of Forests denuded by the felling operations consequent on supply of fuel and charcoal to the Works.

Augmenting Revenue by a systematic catching and Sale of Elephants.

8. The Chief Conservator has also suggested the capturing of elephants by the 'pit-method' and their sale in order to augment our Revenue. The capture of elephants by the "Chance Keddahs" undertaken by the Forest Department has always been a source of profit. Again certain parts of the State are subjected to annual depredation by elephants and valuable crops are being lost thereby. If therefore, a scheme of catching elephants could be put up so as to protect the raiyats from such depredations and also fetch an annual Revenue to the State it would obviously be desirable to adopt the same. The scheme may be adopted and a sum of Rs. 25,000 taken as additional Revenue from this source against Rs. 50,000 suggested by the Chief Conservator.

Tangadi Bark.

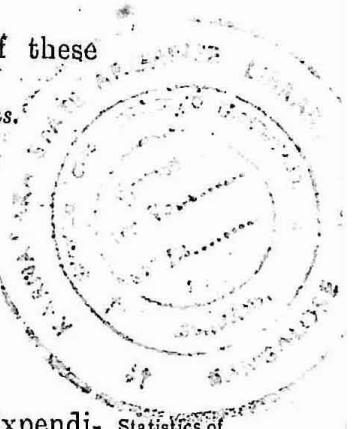
9. One of the suggestions for improving Revenue under "the Survey of Minor Forest Produce of the State," is increasing the lease period of Thangadi from 2 to 3 years for the reasons stated therein. This may be accepted and the other suggestions to improve the Revenue from this source pursued in view of the large amount this fetches annually and also the economic value of Thangadi bark.

10. The exploitation of minor forest produce by Government Agency starting with Hassan in the first instance has also been suggested in this survey, and it is expected that this would fetch more Revenue than that is being obtained at present. This suggestion may be tried.

11. Certain suggestions have also been made by this officer regarding the exploitation of minor produce incidentally bringing additional Revenue to the State, such as extraction of Dhupa Oil, collection of Dhuma Oil, etc. These appear to require investigation and may be implemented since they promise to be fruitful sources for securing additional Revenue.

12. The increase of Revenue anticipated if these measures are implemented would be as under:—

		Rs. *In lakhs.*
Sale of Sandalwood	...	1·00
Increase in price of bamboos	...	·40
Increase in seigniorage rates	...	1·25
Profit by capture and sale of Elephants	...	·25
Total	...	2·90



Expenditure.

13. The following figures of Revenue and Expenditure indicate the fluctuations since 1938-39:— Statistics of Receipts and Expenditure.

(In lakhs of Rupees)

.....	Revenue (II. Forest—other than Sandal Oil)	Total Expenditure (2)—Forest	Expenditure on salaries and establishment
1938—39 ...	17·49	14·18	5·26
1939—40 ...	18 52	12·62	5·15
1940—41 ...	21·20	14·09	5·11
1941—42 ...	23·57	14·47	5·26
1942—43 ...	28·43	15·37	5·36
1943—44 ...	32·46	18·97	5·43
1944—45 ...	43·43	22·93	5·49
1945—46 ...	43·60	20·45	5 75
1646—47 ...	43·44	19·48	6·11
1947—48 (Revised) ...	33·62	20·75	7·95 (including Rs. 1·37 for Revision of scales).
1948- 49 (Budget) ...	37·00	27·72 (includes provision of Rs. 3·15 for D.A. and Rs. 2 50 for Dev. schemes).	9·09 (includes of scales of pay 2·23 for revision).

14. A comparison of the statistics of out-turn of forest produce (Annexure XVII) however, indicates that although there has been some increase in recent years of the quantities of timber, fuel and bomboos extracted the increased revenue (as compared with pre-war figures) is due in a much larger measure to the extra-ordinarily high prices realised than to the increase in the production itself. While subsequent to 1946-47, there has been a tendency for an appreciable fall in revenue, there has been on the other hand, an increase in the level of expenditure. The expenditure on salaries and establishment which stood at about Rs. 5·26 lakhs in 1938-39 has now risen to over Rs. 9 lakhs, exclusive of Dearness and High Price allowances which cost Rs. 3·15 lakhs more. There is, therefore, every reason to effect all possible reductions in expenditure and more especially in respect of establishment charges.

Increase in Revenue in recent years mainly due to increased prices.

15. The Chief Conservator of Forests, however, is definitely of opinion that it is not possible for him to agree to any reduction whatsover. In view of the imperative need for effecting economy at the present time, I have taken the responsibility of making the undermentioned proposals after a study of the circumstances relating to the department in the light of the materials available :—

Chief Conservator.

16. The sanctioned grade pay of the post is only Rs. 1,000—50—1,200, though the present officer is getting a personal pay of Rs. 1,750. When the term of this officer expires, there will be a saving of about Rs. 6,600 per annum.

Conservator.

17. This post was created in 1927. Out of 9 districts in the State, 5 are under this officer and the remaining 4 directly under the Chief Consevator. In Government Order No. A. F. 2498-99—Ft. 48-45-1, dated the 20th November 1945, the post of a second Conservator had been created with jurisdiction over the other districts but this post has since been abolished. Even the other post may be abolished as it would be more advantageous for the District Forest Officers to be in direct contact with the Chief Conservator an intermediary post being unnecessary. It is understood that in Madras also, several of these posts are being abolished.

Forest Divisions.

18. There are 8 Divisions* in the Shimoga Circle. In the light of my discussions with some of the local officers, I feel that it would be quite feasible to abolish two of these divisions—the Fuel Division and one out of Hassan, Chikmagalur and Shimoga. Similarly Chitaldrug, Kolar and Bangalore seem to be light divisions and by reorganising them into two divisions, one division may be abolished. Altogether, three divisions may, I think, be abolished by a suitable redistribution of work and jurisdictions.

Technical Assistant to the Chief Conservator of Forests.

19. The Chief Conservator being a technical officer himself, there is no need for a whole-time Technical Assistant. To give him some relief from administrative routine, he may be given a Personal Assistant *in lieu* of the Manger which latter post may be abolished. For Technical Assistance, the Chief Conservator of Forests

*1. Shimoga.
2. Sagar.
3. Bhadravati.
4. Fuel Division.
5. Chikmagalur.
6. Hassan.
7. Chitaldrug.
8. Tumkur.

can use the services of the Forest Utilisation Officer (who appears to be attending to this work even now) or the Working Plans Officer.

20. The following posts may be abolished :— Sub-Assistant Conservators.

(i) Gazetted Assistant to the Conservator.

(ii) S. A. C. in charge of the Sandal Koti at Bangalore.

(iii) S. A. Cs. Sandal Koti and Timber Depot, Tarikere.

(Perhaps the Depot at Tarikere may be shifted to Shimoga and amalgamated with the one there).

(iv) Three Sub-Divisions at Chamarajanagar, Heggaddevankote and Manjarabad.

(The Rangers may be under the direct control of the District Forest Officers concerned).

(v) Timber Smuggling Sub-Division.—(The existence of a separate staff for a specific purpose often tends to take away the responsibility of theregular staff. This is unnecessary and may be abolished, the number of forests and guards in such areas being increased if need be).

(vi) Assistants to Fuel Division.

There are 3 Assistants at Bhadravati, Shimoga and Sagar. Supply of fuel is part of the duties of the normal staff and with the abolition of the Fuel Division, it may be possible to abolish these posts or at least reduce the number.

(vii) S. A. C. for Cincona Cultivation.

There is no need for a special officer for this work, considering that after all only a small acreage is being taken up for this.

Rangers.—

In 1938, the number of Rangers were fixed at 78. In view of the improvement in facilities for travel, etc., and the enhanced scales of pay, an enlargement of the jurisdiction of these appears feasible and I suggest that a reduction of 12 to 14 in the total number of Rangers may be effected.

Foresters.—

There are about 146 posts of Foresters. A reduction of at least 12½ per cent may be made in respect of these.

Elephant Establishment.—

The sanctioned strength includes an officer of the status of a District Veterinary Officer and three Assistant Veterinary Officers. Whatever justification there might have been for such a large special establishment years ago when Veterinary aid was not available within short distance, the position is now different and there is at least one Veterinary Dispensary in each taluk. The Veterinary Officers posted to the posts possess no special qualifications in the treatment of elephants and cannot also have full time work. These posts may therefore be abolished, and the officers in charge of local Veterinary Dispensaries nearby may be given a small allowance, if necessary, to look after these elephants in addition to their duties. The need for a Senior Officer attached to the Head Office is also not at all clear. This superfluous post may also be retrenched.

Training a few Stockmen.—

The question of training a few stockmen and attaching them to elephant camps to look after the day-to-day needs of the department may be considered. This measure appears to be also cheaper and more advantageous than having a large number of Veterinary Assistants and Officers.

Special Hospital at Tadasa.—

There is no need for a special Hospital charged to the Forest Department being maintained. With the expansion of medical services, such departmental hospitals may cease, and all hospitals may be maintained out of the general provisions in the Medical Department itself so that Government may have a correct idea of total amount spent on medical relief.

Clerical Staff.—

Although the Mysore Circle Office is abolished, the post of Manager that was attached to that is still being continued. This post should be immediately abolished. Similarly the other staff sanctioned for that Circle office is also being continued without sanction and the men are being used to strengthen other offices. This is irregular. Except the staff that had been transferred from the Head Office to Mysore Circle, all the other posts should be abolished at once. In the light of statistics of work furnished by the Efficiency Audit Office, it is suggested that two clerks in the office of the Chief Conservator, and one Accountant and one clerk in the Shimoga District Office may be abolished. In addition, 4 Accountants and 12 clerks may be reduced from the other district offices. I may, however, add that all these reductions would be possible, if good and well-trained staff and the full complement of sanctioned strength are provided. Special arrangements should be made in regard to the adequate training of the staff.

Guards.—

A reduction of at least 12½ per cent in the number of these also may be made.

Forest Survey Staff.—

There are at present 5 Surveyors and 4 Draftsmen. It is observed that there is a fall in the quantum of work turned out in recent years. The number of State Forests still to be surveyed is stated to be only 2. The number of Surveyors and Draftsmen may be reduced by two each.

Travelling Allowance and Contingencies.—

The provisions made for travelling allowance of officers and establishment may be reduced from Rs. 28,000 and Rs. 53,000 to Rs. 22,000 and Rs. 50,000 respectively, and the provision under "Other Charges" reduced from Rs. 8,000 to Rs. 7,000.

Charges for exploitation of timber, bamboos, etc., sowing and planting, protection from fire.—

There has been a considerable increase under working expenses, etc., in recent years. Much of this is no doubt due to the all-round increase in wages of labour, prices, etc. Nevertheless, some economies even here seem to be possible and I suggest that this question may be

investigated by a small departmental committee along with a Senior Audit Officer.

Simplification of procedure, reduction of forms, etc.—

It was pointed out to me that the present account forms are very cumbrous and entail heavy work and delay in submission. This question may be investigated by a small Committee with a Senior Officer of the Forest Department, an officer of the Accounts Department and the Efficiency Audit Officer.

21. A provision of Rs. 2·5 lakhs has been made for Post-war Development schemes as under:—

	Amounts provided	Grants as suggested
	Rs.	Rs.
Cincona and Lac Cultivation ...	45,000	15,000
Reafforestation of Barren Areas ...	60,000	60,000
Training of Forest Officers ...	15,000	10,000
Housing of Forest Staff ...	25,000	...
Central Sylvicultural Institute ...	30,000	5,000
Rehabilitation of over-exploited areas ...	50,000	...
Improvement of Forest Communications ...	30,000	25,000
Deduct Receipts ...	5,000	...
Total ...	2,50,000	1,15,000

For the reasons furnished in detail in Chapter VIII this amount may be reduced by 1·35 lakhs and the grants suggested above made in future budgets.

22. If the above proposals are agreed to, savings to the extent of Rs. 3·49 lakhs is expected to accrue as indicated in the Statement annexed.

List of posts to be retrenched and other savings in the Forest Department.

	Savings per month	
	Pay	Dearness Allowance
	Rs.	Rs. a. p
1. Chief Conservator	550 plus	...
Manager, Chief Office	170 ,,	37 8 0
2. Conservator, Shimoga	700 ,,	40 0 0
Gazetted Assistant to Conservator	125 ,,	22 8 0
Office Staff—1 Accountant	110 ,,	22 8 0
7 Accountants	420 ,,	105 0 0
1 Draftsman	60 ,,	15 0 0
9 Clerks	360 ,,	135 0 0
10 Peons	160 ,,	120 0 0
3. Two Divisions in Shimoga Circle—		
(a) Fuel Supply Division—		
1 District Forest Officer	575 ,,	40 0 0
2 Accountants	220 ,,	45 0 0
4 Clerks	160 ,,	60 0 0
4 Peons	56 ,,	48 0 0
1 Assistant to District Forest Officer ...	125 ,,	22 8 0
(b) Another Division in Shimoga Circle—		
1 District Forest Officer	250 ,,	30 0 0
1 Accountant	60 ,,	18 0 0
4 Clerks	160 ,,	60 0 0
4 Peons	64 ,,	48 0 0
One Division out of Chitaldrug, Kolar and Bangalore—		
1 District Forest Officer	250 ,,	30 0 0
1 Accountant	60 ,,	18 0 0
4 Clerks	160 ,,	60 0 0
4 Peons	64 ,,	48 0 0
5. Sub-Assistant Conservators, Sandal Koti, Bangalore and Tarikere.	250 ,,	52 8 0
Their peons 4	64 ,,	54 0 0
6. Sub-Assistant Conservators of Chamarajnagar, Heggadevankote and Manjarabad.	375 ,,	67 8 0
6 Menials attached to the above officers ...	84 ,,	72 0 0
7. Sub-Assistant Conservator, Cinchona Cultivation with 33·1/3 per cent S. L. A.	125 ,, Plus 41	22 8 0
8. Timber Smuggling Sub-Division—		
1 Sub-Assistant Conservator plus 75 D.A. ...	200 ,,	22 8 0
2 Orderlies attached to him	28 ,,	24 0 0
Sub-Inspector with Rs 30 D.A.	100 ,,	15 0 0
9. 12 to 14 Rangers	910 ,,	234 0 0
12½ per cent of the number of Guards ...	625 ,,	2,220 0 0
12½ per cent of the number of Foresters (6 S.S.L.C's,) ...	2,125	
(12 Non-S.S.L C's.) ...	690 ,,	270 0 0
10. Officer in charge of Elephants	160 ,,	37 8 0
3 Veterinary Inspectors with C.A. Rs. 10 each ...	255 ,,	75 0 0
1 Salustry	30 ,,	15 0 0
2 Peons	86 ,,	30 0 0
11. Mysore Circle Office Staff—		
1 Manager	150 ,,	22 8 0
3 Accountants	180 ,,	54 0 0
1 Clerk	40 ,,	15 0 0
1 Daffedar	27 ,,	15 0 0
1 Attender	25 ,,	12 0 0
4 Peons	72 ,,	48 0 0
12. Chief Conservator's Office—		
2 Clerks	80 ,,	36 0 0
13. Shimoga District Forest Office—		
1 Accountant	60 ,,	15 0 0
1 Clerk	40 ,,	15 0 0
14. Other Divisions—		
4 Accountants	240 ,,	60 0 0
12 Clerks	480 ,,	180 0 0
15. Forest Survey Establishment—		
2 Surveyors and 2 Draftsmen	200 ,,	72 0 0
...	11,916 ,,	4,781 0 0
Per annum ...	1,42,992 ,,	57,372 0 0

ABSTRACT.

List of Retrenchments.

Budget Head	Savings	Remarks
2. Forest—	Rs.	
2. Establishment—		
Salaries and Establishment	1,43,000	By the reduction of staff, etc., as shown in the accompanying Statement.
Travelling Allowance—		
Officers ...	6,000	Consequent on the reduction in the number of officers proposed.
Establishment ...	8,000	Consequent on the reduction in staff, executive and clerical.
4. High Price and Dearness Allowance	57,300	By the reduction of staff.
3. Development Schemes ...	1,35,000	By reducing the grant.
	3,49,300	

III AND 3—EXCISE.

This department is in charge of collection of revenue accounted for under two separate major heads (1) Excise and (2) Miscellaneous Taxes.

Statistics of Revenue and Expenditure.

2. The figures of Revenue and Expenditure under these two heads in 1938-39 and later years are noted below:—

(Rupees in lakhs.)

Year	Excise		Miscellaneous Taxes	
	Revenue	Expenditure	Revenue	Expenditure
1938—39	48·66	3·95	17·36	...
1941—42	60·59	3·98	21 99	...
1942—43	72·83	4·26	17 73	...
1943—44	113·87	4·51	28·67	·02
1944 -45	166·17	4 86	64·72	·18
1945—46	183·51	4·81	60·93	1·08
1946—47	187·15	4 72	74·62	1·14
1947—48 (Revd.)	181 41	6·08	68·02	1·49 *
1948—49 (Bdgt.)	210·00	7·10	107·94	1·78 *

* The figures for 1947-48 and 1948-49 are inclusive of Bangalore Civil Station also.

3. Even with prohibition being introduced into three districts from 1st July 1948, Excise in the largest single item of revenue in the State Budget, but with the progressive introduction of prohibition, the revenue under this head would ultimately get totally extinguished. The establishment at present employed for purposes of safeguarding and collecting revenue will, therefore, get gradually reduced and ultimately abolished, while simultaneously the organisation for enforcement of prohibition will develop. It is understood from the Excise Commissioner that it has still not been decided whether the enforcement of prohibition is to be entrusted to the Excise Department or to the Police Department, but the experience in other Provinces seems to tend in favour of the work being handed over to the Police Department which has alreardy a huge staff and network of establishment in all parts of the State trained for detection of crime and prosecution of offenders. This would also result in considerable economy.

Miscellaneous Taxes.

4. So far as "Miscellaneous Taxes" are concerned, the income under this head is one of increasing importance. In respect of most of these taxes however the rates of levy of duty and the apportionment of revenue is regulated by agreements with the Government of India. The details regarding this are dealt with in the section under

Miscellaneous Taxes. The collecting expenses are chargeable to "collections" and it is only from the net collections that go into the "Pool" the apportionment of the State's portion of the Revenue is made. It is understood that so far, it is only in respect of "Coffee" Excise duty that our realisations are in excess of our share from the pool and payment of the excess amount to the Government of India is involved. Regarding cost of collection, from the figure given in the Budget for 1948-49, the cost of 3 District Excise Officers and of non-gazetted, ministerial and menial staff, to the total extent of Rs. 1·66 lakhs is debited towards the cost of collection of these Miscellaneous Taxes. The major portion of this cost,—about 65 per cent is charged to the duty on "Coffee" and "Tea" and about 30 per cent to that on "Tobacco", while that incurred in respect of other duties is comparatively small. Our excise staff attends to a large portion of this work in addition to its duties. As the cost of collection is first charged on the collections and it is also necessary that the arrangements for collection are prompt and effective as far as possible the establishment for this purpose may be *separated* and where that is not possible a percentage of the establishment debited to collection charges.

Gazetted Establishment.

Post of II Assistant to the Excise Commissioner may be retrenched.

5. At present, besides a Commissioner on Rs. 1,400 there are 11 subordinate officers—9 in charge of the 9 districts and 2 serving as Office Assistants to the Commissioner, excluding the post of Deputy Commissioner of Excise which was not filled up till very recently. Of the 11 Assistants, the salary of 3 is charged to "Miscellaneous Taxes." The salary of the Deputy Commissioner of Excise is also debited to "Collection Charges" referred to above and therefore it really does not affect our Budget. As regards the 8 remaining posts (6 in charge of districts and 2 Office Assistants), the Excise Commissioner has himself agreed that he does not need a Second Assistant *and that he did not ask for one.* This post may, therefore, be retrenched immediately.

Two out of three D.E.O.s in Kolar, Tumkur and Chitaldrug to be retrenched.

6. The three posts of District Excise Officers in charge of the three districts of Kolar, Tumkur and Chitaldrug, in which prohibition has already been introduced, may be abolished, the minor items of excise work still remaining in these districts being attended to by the Revenue Sub-Division Officers concerned. If necessary to look after the Special Excise Duty work in all these

three districts, one post of District Excise Officer with Head-quarters at Tumkur may be retained.

7. With the abolition of these three posts, there will remain 8 officers (out of the eleven including those whose pay is charged to Miscellaneous Taxes), *viz.*, First Office Assistant to the Excise Commissioner, six District Excise Officers of the non-prohibition districts of Bangalore, Mysore, Mandya, Hassan, Chikmagalur and Shimoga and one District Excise Officer in charge of 3 Prohibition districts. I believe the work relating to the Special Excise Duties is heavy in the districts of Hassan and Chikmagalur (for tobacco, coffee and tea and in Bangalore, Mandya and Mysore for tobacco.) A full-time officer may therefore be posted to each of these five districts, and he may be required to attend both to general excise and special excise work in the district. The salary of these five officers may be debited to Duty Collection charges up to the permissible limit. Regarding the Shimoga District, the Excise work including that relating to Excise Duties in this District may be attended to by the Revenue Sub-Division Officers till prohibition is introduced.

8. In the result, four of the subordinate gazetted posts *viz.*, the Second Assistant to the Excise Commissioner, at least two out of the three District Excise Officers of the prohibition districts and the post of District Excise Officer of the Shimoga District, may be retrenched, leaving one Headquarter Assistant and six full time District Officers at the rate of one for each of the districts of Hassan, Chikmagalur, Bangalore, Mandya and Mysore, and one for Kolar, Tumkur and Chitaldrug.

Non-Gazetted Staff.

9. The staff (executive, ministerial and menial) at present employed on General Excise work in the three prohibition districts may be almost entirely disbanded, only the hands absolutely necessary to attend to the work relating to Special Excise duties being retained. It is presumed that the Taluk Office Excise Clerks, and Depot clerks in these districts, who would have no work would have already been discharged. Consequent on the reduction of work on account of prohibition some corresponding reductions in the Excise Commissioner's Office may also be possible. The staff in the Excise Commissioner's

Office for Excise work and work in connection with excise duties is as noted below :—

Special Excise Duties Section.

1	Manager	1	Manager
2	Senior Clerks	1	Auditor
6	I Grade Clerks	1	First Grade Clerk
9	II do	1	Stenographer
1	Steno-Typist	2	Second Grade Clerks
1	1st Grade Clerk for Labour Conciliation and Registration work	1	Record Keeper
		1	Accountant
		1	I Grade Clerk
		1	II do

For work in connection with Betel-nut, coffee and tea.

For tobacco work.

10. The following staff may be reduced consequent on reduction in excise work :—

1 Manager. 2 First Grade Clerks. 3 Second Grade Clerks.

The whole position has, however, to be further reviewed when prohibition is extended to the remaining districts also and only the question of forming the excise duties remains. When this is done, if prohibition duties are looked after by the Police the entire Excise staff would get disbanded. The work relating to Special Excise duties will of course continue and the Excise Commissioner would have to continue in charge of those duties the staff attending to Excise work in his office also being disbanded.

Augmenting Revenues.

11. The Excise Commissioner states that Date groves to the extent of about 85,000 acres can be thrown open for cultivation in the three districts. If at least the more valuable portions of these are disposed of by auction, a considerable amount of revenue may be realised by sale of lands apart from the annual income from the Land Revenue assessment which will accrue in respect of these. Taking an average of at least Rs. 50 per acre and 50,000 acres to be so disposed of, this would easily fetch us Rs. 25,00,000, even assuming that 30,000 acres would be reserved for showing preference to the landless and depressed classes as also for the settlement of persons thrown out of employment on account of the introduction of prohibition and of retrenchments in several departments. The receipts may be even more as several groves are very valuable and may fetch between Rs. 200 to 500 per acre. A recurring increase of about Rs. 0·8 lakh in Land Revenue may also be anticipated.

12. Similarly, as prohibition is introduced into other districts date groves therein will become available for release for cultivation and some revenue can be realised by disposal of the valuable lands by auction or upset price along with a recurring increase in Land Revenue. It is difficult at this stage to anticipate the probable

realisations on this account. We could expect at least another Rs. 50 lakhs and an additional Revenue of about 1·7 lakhs per annum when these lands are sold.

13. Even with the introduction of prohibition in the entire State we would perhaps be getting duty on special liquors and foreign liquors saleable to persons with permits, duty on alcohol used for medicinal purposes and gain on sale of power alcohol. (All this may come up perhaps to about Rs. 8 lakhs taking into account the expansion of power alcohol industry with the contraction in consumption of arrack).

14. A statement showing the approximate savings that may be expected if the above proposals are accepted, is noted below :—

Statement of Retrenchments in Excise Department

Name of post to be abolished	Approximate Savings expected	Rs.
I. Gazetted—		
1. Second Assistant to the Excise Commissioner (250—40/2—450).	250+40	290
2. Reduction in the number of District Excise Officers of Kolar, Tumkur and Chitaldrug Districts from 3 to 1 (savings 2 posts of District Officers (250—40/2—450).	(250+30) 2	560
3. District Excise Officer, Shimoga—(250—40/2—450).	250+30	280
		1,130 ×12
Total I ...	...	13,560
II. Non-Gazetted (Approximate)—		
4. Staff in the three prohibition District Excise Offices (Kolar, Tumkur and Chitaldrug) (1 Head Clerk and 5 II Division Clerks in each office)—		
3 Head Clerks 60—5—90—5—150 ...	(60+15) 3	225
15 II Division Clerk 40—2—60—3—80 ...	(40+15) 15	825
Taluk Office Clerks—		
30 (40—2—50—3—80)	(40+15) 30	1,650
Range Office Clerks—		
10 (40—2—50—3—80)	(40+15) 10	550
Depot Clerks—		
10 on 15 (fixed)	(15+15) 10	300
Excise Inspectors—		
10 on 70 (fixed)	(70+15) 10	850
Assistant Inspectors—		
30 on 40 (fixed)	(43+15) 30	1,650
Peons and tree markers 200—		
18—½—22	(18+12)	6,000
16—½—20		
14—½—18		
Retrenchments in Excise Commissioners' Office—		
1 Manager (170—10—250)	(170+37½)	207½
2 First Grade Clerks (60—5—90—6—150) ...	(60+18) 2	156
3 Second Grade Clerks (40—2—50—3—80) ...	(40+18) 3	174
		12,567½ ×12
Total II ...	...	1,51,050
Add probable savings under T.A. and Contingencies ...	...	10,000
Grand Total ...	...	1,74,610

IV AND 3-A—INCOME-TAX.

Statistics of Receipts.

This is a revenue earning Department. The growth of revenue under the principal items in recent years, and the expenditure incurred is noted below .—

Revenue.

(In lakhs of rupees).

Year	Income-tax	Super-tax	Excess profit tax	Surcharge	Refunds	Total
1938—39 ...	20·64	9·71	...	...	2·15	28·20
1940—41 ...	33·24	12·52	...	...	·94	45·12
1942—43 ...	44 87	11·56	...	...	1·88	54·05
1943—44 ...	77·49	29·39	...	...	2·94	103·94
1944—45 ...	108·67	71·48	...	...	6·78	173·37
1945—46 ...	73·11	51·83	15·41	...	10·82	129·53
1946—47 ...	86·35	46·59	36·08	...	15·52	152·50
1947—48 ... (Revised)	116·96	50·48	23·61	6·25 (Civil Station)	42·80	155·50
1948—49 ... (Budget)	103·85	54·00	30·00	...	43·00	144·35

Note.—(1) The figures for 1947-48 and 1948-49 include the following figures relating to Civil Station, Bangalore :—

1947—48	...	...	43·70
1948—49	...	...	53·46

It is seen that if the figures relating to the Civil Station are excluded, there is a decided fall in revenue since 1947-48.

Note.—(2) The increases in Revenue are partly due also to increase in rates from time to time. The rates have been furnished in Annexure VIII.

Expenditure.

Expenditure.

(In lakhs)

1938-39	·66	1945-46	·83
1940-41	·67	1946-47	1·27
1942-43	·64	(Revd.) 1947-48	2·57
1943-44	·75	(Bud.) 1948-49	3·34
1944-45	·78		

Note.—The expenditure of the Department relates mostly to charges on salaries and allowances. The increase in 1947-48 is due to reorganisation of the Department and revision of scales and inclusion of Bangalore Civil Station, while the further increase in 1948-49 is due to the inclusion of the cost on account of Dearness Allowance Rs. ('66) which was being shown under another Head in previous years.

2. As regards establishment charges, the Commissioner of Income-tax has explained that the Department was reorganised in 1947, relieving Revenue Officers of Income-tax work, that the newly created officers have begun to function only from October 1947, and that as only the minimum staff was sanctioned under the reorganisation it is too early to say whether any reductions

in establishment could be made. He says that as the work relating to Sales-tax is since attached to this department, additional staff would have to be engaged in connection with that work. It appears therefore to be too early to review the strength of the establishment including the Sales-Tax Organisation from the point of view of securing economy. The Commissioner is, however, agreeable to a reduction being made in the strength of the menial staff of the Department to the extent noted below. This is a Department the proper functioning of which will yield more revenue, and any expenditure absolutely necessary to ensure its efficient working need not be grudged. As stated above, the question of effecting economies in the Department cannot be considered independently of the arrangements in connection with the collection of Sales-Tax and would therefore have to lie over.

7 Peons, 8 Duffedars.

Appointing higher paid officers against lower pay vacancies may cease.

3. There are at present two Deputy Commissioners (Revenue Department) working as Deputy Commissioners of Income-tax—Messrs. Ramaswamayya and Abdul Azeez which posts carry a lower scales of pay. This arrangement involves extra cost and may cease.

Leakage in Revenue.

4. In the interests of duly safeguarding the revenue from this important source, I venture to make the following suggestions. There is an impression at present that there is considerable leakage of Income-tax revenue and that many people who ought to pay assessment are now avoiding or escaping it. Whether this is correct or not it is necessary to tighten up the working of the Department and increase its efficiency by recruitment of the best personnel possible, adoption of improved methods and procedure and frequent inspections of subordinate offices with a view to see that assessments are properly made and that there are no evasions. The officers and the subordinate staff should really be of a very high calibre and specially trained in the work of the Department, and it is to their zeal and enthusiasm that we would have to look to for the proper administration of the Department and prevention of evasion of tax. Only persons therefore with a thorough knowledge of Book-keeping and Income-tax Law should be employed either to examine accounts or make assessments and especially so in the case of companies. Posting men with no special qualifications and aptitude for income-tax work, from other Departments and that for temporary periods, would be suicidal to

Government Revenues and is not calculated to increase the efficiency of the Department. A training centre for systematically training officers and officials for work in the Department for giving refresher courses appears also urgently called for. Officials and officers posted to this Department and trained therein and who gain experience should not be transferred out of the Department unless they are found not competent.

5. The Commissioner has suggested the desirability of having one or two Inspecting Assistant Commissioners (as in the Indian Dominion) to go round constantly and inspect the work, investigate, collect information of trades and business at a higher level, and give continuous attention to prevention of leakages, roping in new classes of business, etc. This is no doubt a good idea, but I think it would be of no use to place a Junior Officer of an Assistant Commissioner's standing or who has not the requisite training and experience for this important work. Further such an Officer being of the same status as other District Officers would actually find it difficult to function usefully as an Inspecting or an Investigating Officer. It seems therefore to be worth while to get the services of a very senior and efficient officer of the Income-Tax Department of the Government of India preferably from Bombay Circle on loan, if necessary, and put him on this job for two or three years. He may work under the Commissioner as special Officer (no matter what his pay may be), and help in building up the department into a strong and efficient organisation.

Delay in assessments.

6. It is gathered from the Commissioner's reply to my questionnaire, that there has been considerable delay in assessment work and sometimes assessments are not completed even by the end of the year. It is necessary that in the interest of Revenue, these deficiencies are remedied without delay. The checking of returns with information collected from other sources is most important and especially so in the case of business. This will be facilitated if assessments are made as per a regular calendar when the cases of firms or persons having dealings with one another may be posted simultaneously to cross-check entries. This is however a matter of detail.

Amending the Mysore Act and bringing it into line with the Act in the Indian Dominion.

7. Although the question of amending the Law in Mysore to bring it in line with that in the Dominion has been under consideration for several years past, somehow or other it does not seem to have made any tangible progress and Several statutary provisions (*e.g.*, like making the

assessee who is taxable liable to notify the authority) is absent in our Act. The matter requires urgent attention. Again there is no provision in our Law for appeals from orders reducing assessments. Government is not also represented in appeals against assessments so that Government's case often goes by default.

Stepping up level of taxation.

8. The level of taxation in Mysore is still considerably lower than that in the Indian Dominion. The Commissioner thinks it desirable that the stepping up to that level may be undertaken by stages. While we may go slow in the case of incomes below Rs. 10,000, especially as salary scales here are lower in many cases than in the Indian Dominion, here appears to be no need to show any undue consideration in respect of higher incomes and I would suggest that tax at least approximating to Indian Dominion rates may be levied in respect of the higher incomes.

Changing Head-quarters of the mining companies.

9. I also venture to make a few suggestions in regard to the Gold Mining Companies, the feasibility of which is well worth examination. These companies now pay a tax of about Rs. 13 lakhs to the United Kingdom because their Headquarters is in Great Britain. If the Headquarters of the company is changed to Bangalore or K.G.F., they would be relieved of the liability to pay British Income-tax and the revenue of the State would be benefited to this extent. The question of shifting their Headquarter is therefore one that deserves to be pursued urgently as we would be able to save several lakhs thereby. Similarly if the output of these mines which is now being sold in Bombay, can be sold in the State itself, we may realise some further income by the levy of income-tax and sales-tax from the purchasers *who would then be doing business in Mysore.* I think it would not be difficult to require the Gold produced in the K.G.F. to be refined and sold in Bangalore alone and thus get a substantial increase in Income-tax and Sales-tax Revenue, unnecessary transport charges involving also, insurance payment would be avoided. (I think the gold is insured against loss in transport).

Levy of Income-tax on the profits of the Public Branch of the Insurance Department.

10. The Public Branch of the Insurance Department is not paying any Income-tax or Super-tax. As the profits of this Branch are being entirely distributed amongst the insured, it seems to me to be necessary and equitable to levy tax on these profits also, so that the State may derive some benefit for the responsibilities shouldered by them in this behalf.

Conversion of several Government Concerns into Joint-Stock Companies and levying income-tax.

11. No Income-tax is at present realised in respect of profits earned by the Government Industrial Concerns. This gives an undue advantage to these concerns as compared with private concerns doing similar business, while assessing the financial results of their working. If as many of these concerns as possible are converted into Joint-stock Companies, say with 60 per cent Government interest, and Income-tax is levied on their profits I think there would be greater incentive to produce better results and thus an increased revenue from Income-tax may be realised with added efficiency to the Concerns.

The above proposals are expected to result in an increase of about Rs. 26·14 lakhs :—

		(In lakhs of rupees.)
1.	By raising rates to Indian Dominion rates.	About 10·00 (taking surcharge recently imposed into account.)
2.	By changing Headquarters of Mining companies to Mysore State and avoiding tax in England now being paid ...	13·00
3.	By Sales-Tax on the sale of gold in Bangalore, instead of in Bombay.	1·24
4.	By assessment of Public Branch of Mysore Government Insurance ...	1·90
5.	Other measures such as preventing leakages, evasion of tax, etc.* ...	...
	Total ...	26·14

* Even a rough assessment of probable receipts is not possible.

IV-A AND 3 B. MISCELLANEOUS TAXES.

Statistics of Revenue.

The details of Revenue under this head since 1938-39 are noted below :—

In Lakhs of Rupees.

Sub-heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
1. Excise Duty on Matches.	8·01	7·57	11.66	10·00	6·50	7·47	7·41	4·60	4·14	3·67	4·07
2. Excise Duty on Sugar.	8·00	8 20	9·95	8·54	13·57	10·20	9·20	15·95	16·68	11·17	12.91
3, Excise Duty on Power Alcohol.	·50	·50	·05	·03	1·38	·33	1·12	·88	·51	·79	...
4. Excise Duty on Tobacco (Net).	60·00	36·68	30·20	37·83	24·42	9 53	...	...	...	...	...
5. Excise Duty on Vegetable Product (Net).	2·50	2·00	2·17	·51	2·88	1·14	...	...	...	...	...
6. Excise Duty on Betel-Nuts.	...	5·43	9·03	23·14	14·28	...	...	..	...	...	...
7. Excise Duty on Coffee.	28·00	22·25	27·60	14·62	1·50	...	...	...	...	...	...
8. Excise Duty on Tea.	3·13	2·09	1·76	2·11	·21	...	...	...	...	...	...
9. Betting Tax.	·80	·80	...	...	...	...	...	·55	·51	·47	·38
10. Cess on Sugarcane.	15·00	...	...	...	...	...	...	...	...	...	...
11. Deduct—Refunds.	18 00	17·50	18·00	35·87	·03	...	...	...	...	...	..
Total ..	107·94	68·02	74·62	61·91	64·71	28·67	17·73	21·98	21·84	16·10	17·36

According to the existing arrangements between the Government of India and the participating States the rates are fixed by the Government of India and the revenues realised are pooled and the net proceeds shared as per proportions fixed in each case.

Excise Duty on Matches.

2. This is levied from 1st April 1934 and according to the conditions of levy the State gets a share of the total proceeds of the tax collected in the whole of India on an estimated *consumption* basis.

Excise Duty on Coffee.

3. This duty also is shared on a consumption basis.

Excise Duty on Sugar.

4. Up to 1st April 1940 the State was retaining the entire revenue under this head. According to the revised arrangement from that date the excess over the highest amount collected (Rs. 12·91 lakhs collected during 1938-39) is to be paid to the Government of India.

Increased production of sugar in our factory or factories will not therefore get us any additional revenue over the ceiling fixed.

Excise Duty on Tobacco, Vegetable Products and Tea.

5. These are shared on a population basis according to the formula $A = \frac{P \times R}{P_1}$ where A is the limit *retainable* by the State. P_1 is the population of India and all participating States. R is the total Revenue (Gross minimum cost of collection) in each year and P is the population of the State. It is understood that the question of apportionment of Revenue on account of duty on cigarettes which forms part of the duty on tobacco is being taken up with the Government of India. The cess on sugarcane is a new levy and according to the Financial Secretary's Memorandum the amount realised is proposed to be utilised for taking up improvement works in sugarcane growing areas supplying sugarcane to the Factory.

6. The Revenue which the State gets out of these duties depends largely on the policy of the Government of India with regard both on the levy of duties and the rates. These taxes amount now to nearly 10 per cent of our Revenue and any alteration in these rates or the manner of apportionment will have a corresponding repercussion in our finances.

Excise Duty on Power Alcohol.

7. With larger production of Power Alcohol an increase may be expected and we may anticipate an additional Revenue of Rs. 50,000 to a lakh on this account.

Sales Tax.

8. The Mysore Sales Tax Act is modelled on that of the Madras General Sales Tax Act, 1939, as modified. It provides for multiple taxation while that in Bombay is a single point levy at the last stage, when sold by registered dealers to consumers. Alteration in rates and in the exemption now given can give us increased Revenue if and when needed. A sum of Rs. 75 lakhs has been taken into account at existing rates.

Betting Tax.

9. A sum of Rs. 24 lakhs has been included under Betting Tax at existing rates. If and when this Tax ceases the surplus now provided and further additional Revenue anticipated under Income-Tax and Entertainment Tax would set off the loss on account of this Revenue.

Increases in Revenue—		
Betting Tax	...	Rs. 24 lakhs
Sales Tax	...	„ 75 „
		„ 99 lakhs

V AND 4. STAMPS.

Statistics of Revenue.

The receipts of the Stamp Department under the several minor heads, for the last 10 years are noted below :—

In Lakhs of Rupees.

Minor heads	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
General Stamps.	7·07	7·18	8·28	8·76	12·01	15·11	15·57	18·98	21·30	24·50	24·50
Court Fee Stamps.	11·01	10·52	10·18	10·62	9·92	10·23	10·03	11·22	11·43	13·00	13·00
Stamped Paper for Copies.	·77	·80	·79	·84	·90	94	1·02	1·04	1·07	1·10	1·10
Entertainment tax stamps.	·16	·17	·20	·26	·48	·72	·70	1·99	1·35	1·20	1·30
Duty on impressing documents.	·52	·39	37	·32	·55	·81	·62	1·02	1·10	·75	·75
Miscellaneous	·13	·10	·11	·12	·13	·12	·13	·25	·23	·40	·40
Deduct—Refunds.	1·35	1·37	1·39	1·29	1·61	1·83	1.81	2·96	3·41	3·55	3·64
Net Receipts	18·03	17·79	18·54	19·63	22·38	26·10	26·26	31·54	33·07	37 40	37·41

The more important sub-heads are "General Stamps" and "Court Fee Stamps." While the revenue under General Stamps, which was about Rs. 7 lakhs in 1938-39 has now risen to Rs. 25 lakhs, the Revenue under "Court Fee Stamps" has increased only from Rs. 11 lakhs to Rs. 13 lakhs.

2. It is seen from the enclosed comparative statements of rates of General and Court Fee Stamps in Mysore and the adjoining Provinces of Madras and Bombay, that the rates in Mysore are generally somewhat lower than those prevailing in Madras and Bombay. The Commissioner of Stamps is not in favour of raising the scale of fees as it would favour of Government making a profit out of dispensing justice, and adds that the question of augmenting stamp revenue is a question of policy for Government to determine. But the cost of dispensing justice is also increasing in view of the revision of the scales of pay of staff, etc., and after all "Stamps" is and has been a definite source of revenue and now that the cost of administration has risen enormously, I do not think we need therefore hesitate to raise the scale of fees to that agreeable to this. The rates for General Stamps and Court Fees may accordingly be raised to the level in Madras. (Reference is invited also to para 13 of the Note on Revenue Department Receipts).

3. The Expenditure of the Department for the last 10 years which includes the cost of water-marked paper and discount on sale of stamps is as noted below.—

In Lakhs of Rupees

Minor Heads	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
1. Superintendence.*	.17	.25	·27	·34	·41	1.28	·24	·59	·32	·61	·62
2. Stamp Manufactory.	.06	·07	·06	·06	·07	·07	·07	·07	·09	·80	·11
3. Discount on Sale of Stamp Papers and Labels	·33	·33	·34	·35	·41	·49	·49	·61	·65	·69	·69
4. Dearness Allowance.	...	...	...	...	...	...	...	...	...	...	·07
Total ...	·57	·64	·68	·75	·89	1·85	·79	1·27	1·07	2·10	1·49
*Cost of Water-marked paper included under 1. Superintendence.	.09	·17	·19	·26	·32	1·21	·16	·50	·24	·50	·50

4. The strength of the establishment has remained constant since 1938-39. But after the installation of a Photo-Zinco Office at the Government Press, Bangalore, for which sanction has been accorded, re-adjustment of ministerial staff in the Stamp Manufactory will be necessary. The present Stamp Manufactory and the Litho Branch in the Government Printing Press are expected to be abolished, the present staff being absorbed in the proposed Photo-Zinco Office. The new arrangement is expected to be more economical but no definite data is however available now. In the absence of details, a cut of 12½ per cent in the establishment may perhaps be effected.

Discount on sale of Stamp Papers and Labels.

5. The present arrangement is to sell General and Court Fee Stamps to the public through licensed vendors who are scattered all over the State. They are paid a discount as under :—

General Stamps—

2 per cent at District and Taluk Head Quarters up to Rs. 50.

1½ per cent at District and Taluk Head Quarters above Rs. 50 denomination.

4 per cent at other places.

Court Fee Stamps—

1½ per cent at all places.

6. Stamps are at present sold to the public direct by the Treasuries, as also through Licensed Vendors for the convenience of the public. I would however, suggest as a measure of economy that stamps of high denominations, say of the value of Rs. 50 and above be sold at Treasuries only.

7. At present stamp paper of a particular denomination is not available, two or three papers of lower denominations are taken and used. As there is unnecessary wastage in this procedure, it is necessary that Treasuries and Stamp Vendors are asked to stock the different kinds of stamp papers and the procedure of affixing two or more stamps of lower denomination discouraged.

8. The above proposals may bring in an additional revenue of about 20 per cent or roughly 7·5 lakhs based on the Budget Estimates for 1948-49.

Savings—

By reducing the establishment ...	Rs.	3,000
Additional Revenue ...	,,	7,50,000

4. *Entertainment Tax.*

9. With the increase in the number of Cinema Houses, Theatres, etc., an increase of Revenue on stamps under this head could be anticipated. As 87½ per cent of the receipts, however, are handed over to the Local Bodies concerned, the Government portion is necessarily very small. The possibility of an increase in the rate of entertainment tax both with a view to increase the income of the Local Bodies and incidentally to increase the General Revenues by appropriating a larger share requires examination. In the alternative, the question of levying a small surcharge on entertainment tax, the entire surcharge being taken over by Government is also for consideration. The local bodies could then have the full benefit of the increase in rates of taxes.

Comparative statement showing the rates of General Stamps as Existing in Mysore, in Madras and in Bombay.

Description of Instrument	In Mysore	In Madras	In Bombay
1	2	3	4
Bill of Exchange—Sch. 1, 12	Same in Mysore, Madras and Bombay.		
Proxy—Sch. 1, 50	One anna	Two annas	Two annas.
Adoption Deed—Sch. 1-A, 2	Rs. 12-8-0	Rs. 15	Rs. 20.
Affidavit—Sch. 1-A, 3	Rs. 1-8-0	Rs. 2	Rs. 2.
Appointment in Execution of a Power—Sch. 1-A, 6	Rs. 20	Rs. 25	Rs. 15 for Trustees. Rs. 30 for other property.
Articles of Association of a Company—Sch. 1-A, 9	Rs. 40	Rs. 50	Rs. 25 up to Rs. 2,500. Rs. 30 up to a lakh. Rs. 100 above one lakh.
Bond—Sch. 1-A, 12	The scale of *ad valorem* fees in Mysore in some respects higher than that in Madras and Bombay.		
Cancellation—Sch. 1-A, 14	Rs. 7-8-0	Rs. 7-8-0	Rs. 5.
Certificate of Sale—Sch. 1-A, 15	The rates in Mysore and Madras are the same.		Slightly higher in Bombay.
Composition Deed—Sch. 1-A, 17	Rs. 15	Rs. 15	Rs. 20.
Conveyance—Sch. 1-A, 18	The scale of *ad valorem* fees in Madras is higher than that in Mysore, that in Bombay is also generally higher than that in Mysore except in regard to the first three items in the Scale.		
Copy or Extract—Sch. 1-A, 19	Up to Rs. 100; 12 as. In any other case Rs. 1-4-0.	Up to Rs. 100; 12 as. In any other case Rs. 1-8-0.	Up to Rs. 100; Re. 1. In any other case Rs. 2.
Divorce—Sch. 1-A, 23	Rs. 2	Rs. 2	Rs. 5.
Letter of License—Sch. 1-A, 29	Rs. 15	Rs. 15	Rs. 10.
Memorandum of Association of a Company—Sch. 1-A, 30	(*a*) Rs. 20 (*b*) Rs. 60	Rs. 30 Rs. 80	Rs. 30. Rs. 80.
Partnership—Sch. 1-A, 37	A (*a*) Rs. 5 A (*b*) Rs. 15. B Rs. 7-8-0	A (*a*) Rs. 5 A (*b*) Rs. 20 B Rs. 10	A (*a*) Rs. 5. A (*b*) Rs. 20. B Rs. 10.
Power of Attorney—Sch. 1-A, 38	In Mysore rates are generally the same as in Madras; the Bombay rates are higher.		
Release—Sch. 1-A, 42	(*b*) Rs. 7-8-0	Rs. 7-8-0	Rs. 10.
Warrant for Goods—Sch. 1-A, 51	Six annas	Six annas	Eight annas.

Comparative Statement Showing the rates of Court Fee Stamps as existing in Mysore, in Madras and in Bombay.

Schedule I.—Ad velorem *Fees.*

Schedule Items	Mysore	Madras	Bombay
Plaint etc., (Item No. 1) ...	The scale in Madras is higher than that in Mysore. *Schedule I. Table of Rates*.....*Suits.* The Mysore rates are generally less than those in Madras, and more than those in Bombay.		
Application petition (Item No. 1)	*Schedule II.*— (*a*) One anna ...	One anna in 2 sub-items and 2 annas in three sub-items.	Two annas
	(*b*) 12 annas ...	In the case of a criminal complaint one rupee and in other cases 12 annas.	Eight annas
	(*c*) Rs. 1-8-0 ...	Rs. 1-8-0	Rs. 2
	(*d*) (i) (a) Rs. 3 ...	Rs. 5	Rs. 5
	(*d*) (i) (b) Rs. 5 ...	Rs. 10	Rs. 3
	(*d*) (ii) Rs. 2 ...	Rs. 2	Rs. 2
Bail Bond (Item No. 5) ...	Eight annas ...	Eight annas	One rupee
Muktharnama or Vakalatnama (Item No. 6).	(*a*) Eight annas ...	(*a*) Re. 1	(*a*) Eight annas
	(*b*) Rs. 2 ...	(*b*) Rs. 3	(*b*) Rs. 2
Memorandum of Appeal (Item No. 7).	(*a*) 12 annas ...	One rupee	Eight annas
Plaint or memorandum of appeal in a suit (Item No. 11).	(i) Rs. 12-8-0 ...	(i) Rs. 15	(i) Rs. 10 upto Rs. 500
	(ii) Rs. 12-8-0 ...	(ii) Rs. 15	(ii) Rs. 15 above Rs. 500

VI AND 5—REGISTRATION.

Statistics of receipts and expenditure.

The Excise Commissioner is the *Ex-officio* Inspector-General and the Deputy Commissioners of Districts are *ex-officio* District Registrars respectively. The receipts and expenditure of the Department for the last ten years are noted below :—

(Rupees in lakhs).

Year	Registration and other fees	Deduct refunds	Total	Superintendence	District charges	Dearness allowance	Total
1938—39 ...	3·05	·	3·05	·09	1.64	...	1·73
1939—40 ...	3·04	·01	3·03	·09	1·74	...	1·77
1940—41 ...	3·03	·01	3 02	·09	1·74	...	1·83
1941—42 ...	3·36	·02	3·54	·09	1·68	...	1·77
1942—43 ...	4·68	·01	4·67	·09	1·70	...	1·79
1943—44 ...	5·63	·01	5·62	·10	1·71	...	1·81
1944—45 ...	5·41	·01	5·40	·08	1·78	...	1·86
1945—46 ...	6·49	·01	6·48	·08	1·82	...	1 90
1946—47 ...	7·25	·22	7·03	·08	1·84	...	1·92
1947—48 ... Revised.	7·51	·01	7·50	·10	2·58	...	2·68
1948—49 ... Budget.	7·52	.02	7·50	·12	2·56	·87	3·56

2. The increase in the level of expenditure since 1946-47 is due to the Revision of scales of pay as also to the inclusion of Dearness Allowance (that was being booked in previous years under a separate head) under this head and the inclusion of Bangalore Civil Station.

3. The additions to the ministerial establishment since 1938-39 have not been much being one clerk to the Office of the Inspector-General of Registration, one clerk each to Bangalore and Mysore District Offices and 55 clerks (including 24 temporary hands) under Sub-Registrars' establishment. The strength of several Sub-Registry Offices is regulated as per the scale laid down in Government Order No. P. 3917-18—Regis. 4-25-8, dated the 27th January 1925, which authorises the Inspector-General of Registration to vary the number of clerks allowed on the basis of the number of documents registered.

4. The number of documents registered in the several offices and their value are noted below :—

(Rupees in lakhs.)

Year	Number of documents registrered (in lakhs.)	Value	Revenue realised
		Rs.	
1938—39 ...	1·57	422·09	3·05
1939—40 ...	1·63	404·08	3·03
1940—41 ...	1·53	411·26	3·02
1941—42 ...	1·73	519·84	3·54
1942—43 ...	2·10	693·99	4·67
1943—44 ...	2·26	884·27	5·62
1944—45 ...	2·05	856·83	5·40
1945—46 ...	2·26	1,102·49	6·48
1946—47 ...	2·36	1,231·72	7·03

5. It is seen that while there has been an increase of over 50 per cent in the number of documents registered, the value has risen to nearly three times and the revenue to two and a half times the level of 1938-39. As the fee is fixed on an *ad-valoram* basis the increase in revenue is due in a larger measure to the rise in prices of property than to the increase in the volume of business.

Economies in establishment.

6. As regards economies, the Inspector-General of Registration thinks that two clerks of lowest grade can be retrenched in his office. The establishment in his office consists of one Manager, one Head Clerk, two First Division Clerks and four Second Division Clerks, besides one Mutchi, one Duffedar and two Peons. I think there is no need for a separate Manager for this small office and also there is no need for a Duffedar being allowed to the Inspector-General of Registration as he has full quota as Excise Commissioner. So, it must be possible to retrench the posts of the Manager (against one clerk suggested), one Second Division Clerk and one Duffedar. There is no much scope for retrenching the staff in the subordinate offices, unless a reduction is made in the scriptory work to be done and there is very little scope for this in the Department.

7. There are now 63 full-time Sub-Registrars Offices and 22 *Ex-officio* offices in charge of Taluk Sheristedars who are in receipt of a charge allowance of Rs. 10 each p.m. The full-time officers are given two

menials while the *ex-officio* officers are allowed none. It is seen from the statistics of work in the several Sub-Registry Offices, that the work in some of the full-time offices is less than that in some *ex-officio* offices, and I think the full-time offices at the undermentioned places may be replaced by *ex-officio* ones. Each such conversion will result in saving the pay of Special Sub-Registrar and two Peons (less Rs. 10 allowance to *ex-officio* Sub-Registrars).

1. Thirthahalli. 2. Sagar.

8. A reduction of Rs. 1,000 may be effected under T.A. and Contingencies.

9. In regard to the question of augmenting the revenues the Inspector-General of Registration, while stating that the scale of fees in Mysore are lower than that in the Provinces of the Indian Dominion, is of opinion that there would be no justification for enhancing our rates, as the revenue realised even now is much in excess of the expenditure incurred and registration fees are charged for services rendered and not exactly of the nature of a tax. This contention cannot be accepted. Registration has always been one of our principal heads of Revenue and there is no reason why we should not levy the same rates as in the neighbouring Dominion Provinces. I append below the rates in vogue here and in Madras, which are stated to be identical with those obtaining in the old Civil and Military Station. I think we may raise the rate to those prevailing in old Civil and Military Station. This may bring in an additional Revenue of Rs. 1·50 lakhs.

10. The above proposals will result in a saving of Rs. 8,680 as under :—

By abolishing the posts of :—

		Rs.
One Manager	...	1,040
One Clerk	...	700
One Duffedar	...	380
Two Special Offices	...	5,560
T.A. and Contingencies	...	1,000
Total	...	8,680

The rates of fees may be raised to those in the Civil Station thus bringing in additional Revenue of about Rs. 1·5 lakhs.

Scales of Registration fees in Mysore and Madras.

Registration of documents in books I and IV				Mysore rates	Madras rates
				Rs. a.	Rs. a.
1	When the value does not exceed Rs. 10.			0 4	0 6
2	When the value exceeds—				
	Rs.		Rs.		
	10	but not	25 ...	0 6	0 9
3	25	,,	50 ...	0 8	0 12
4	50	,,	75 ...	0 12	1 2
5	75	,,	100 ...	1 0	1 8
6	100	,,	150 ...	1 8	2 4
7	150	,,	200 ...	2 0	2 4
8	200	,,	250 ...	2 8	3 0
9	250	,,	300 ...	3 0	3 0
10	300	,,	400 ...	3 8	3 12
11	400	,,	500 ...	3 8	4 8
12	500	,,	600 ...	4 0	5 4
13	600	,,	750 ...	4 0	6 0
14	750	,,	1,000 ...	5 0	7 8
15	1,000	,,	1,500 ...	6 0	9 0
16	1,500	,,	2,000 ...	7 0	10 8
17	2,000	,,	2,500 ...	8 0	12 0
18	2,500	,,	3,000 ...	9 8	14 0
19	3,000	,,	3,500 ...	11 0	16 0
20	3,500	,,	4,000 ...	12 8	18 0
21	4,000	,,	4,500 ...	14 0	20 0
22	4,500	,,	5.000 ...	15 8	20 0
23	5,000	,,	25,000 ...	At Rs. 2 for every Rs. 1,000 or part thereof in excess of Rs. 5,000.	At Rs. 2-8-0 for every Rs. 1,000 or part thereof in excess of Rs. 5,000.
24	25,0000	,,	50,000 ...	At Rs. 2-8-0 for every 1,000 or part thereof in excess of Rs. 25,000.	Do
25	50,000	,,	... ...	At Rs. 3 for every Rs. 1,000 or part thereof in excess of Rs. 50,000.	Do

VII—Assigned Tract Revenue.

Statistics of Revenue.

The receipts under this head since 1938-39 is noted below :—

	In lakhs of rupees.		In lakhs of rupees.
1938—39	... ·89	1943—44	... 17·93
1939—40	... 2·36	1944—45	... 36·03
1940—41	... 1·57	1945—46	... 55·54
1941—42	... 4·14	1946—47	... 85·87
1942—43	... 9·36	1947—48	... 17·98

These represent the surplus Revenue of the Assigned Tract (old Civil and Military Station) in excess of the normal expenditure of Rs. 13 lakhs which was being divided between the Assigned Tract and the Mysore Government in the ratio of 1 : 3 respectively. (Some Reserves were also being created during the war period and it is presumed that the net amount at credit of this Reserve will also be transferred to the Mysore Government. This, when received, should be kept outside the Revenue account). As the Civil Station was retroceded to the Mysore Government from 26th July 1947 the Revenue and Expenditure of the Civil Station has been merged under the concerned major heads from that date. This source of Revenue will therefore cease from that date. The Revenue of Rs. 17·98 lakhs anticipated during 1948-49 pertains to the surplus Revenue due for the period 1st April 1947 to 25th July 1947.

2. I was unable to get at the exact details of receipts and expenditure from the Civil and Military Station which till recently was a separate Unit. I am therefore unable to offer any remarks *re* : possible increase in Revenue or economy in Expenditure in the departments in the Civil Station. It has now been merged in the new Bangalore District (Urban).

Main items of Revenue are Taxes on Income and Excise.

3. The main Revenue of the Assigned Tract was from Taxes on income about Rs. 76 lakhs and Excise about Rs. 45 lakhs. If the Mysore Income and Super Tax rates are introduced into this area, there is bound to be a fall under this head and Excise will disappear if Prohibition is introduced and it may well be that under these conditions, the expenditure of Civil and Military Station may exceed its Revenue. The need therefore to scrutinise the expenditure in the Civil and Military Station area so as to secure all possible economies is very great and I think this work should be undertaken very early.

———

VIII-A.—Duty on Gold.

Nature of Levy.

A duty on Gold sold was levied from 22nd March 1940 equivalent to three-fourths of the amount by which the sale price exceeds Rs. 100 per oz. of gold. The amendment to the Gold Duty Act, 1945, provides for refund of duty subject to a maximum of 50 per cent of the duty collected. According to Rule 7 of the Refund Rules, the gross relief is fixed in such a manner that after deduction of Mysore tax and royalty on relief, the net does not exceed 50 per cent of duty paid for the year.

2. A net revenue of Rs. 90 lakhs this year is anticipated under this head after providing for the Refunds and Income-tax due.

Duty on Gold is an uncertain source of revenue.

3. This is an uncertain source of revenue depending on the price of Gold in India which has at present no relation to the International Market. The revenue from this source will go down when the price of Gold comes down.

4. Again the revenue depends on the quantity of Gold that is sold and any reduction in the quantity will affect the receipts. It is also understood that the mining companies are urging for a revision of the existing rules regarding levy of Gold Duty and rules granting refunds. Taking all these into consideration, we should be prepared for a fall of revenue under this head to the extent of about Rs. 50 lakhs.

The shifting of the Head Quarters of the Company will save Government the Income-tax now being paid in U. K. Similarly sale of Gold in Bangalore would bring additional Revenue.

5. I have however suggested that by the shifting of the Head-quarters of the Company to Mysore State and selling the gold at Bangalore itself, we may be able to save several lakhs representing the Income-tax now paid in the United Kingdom which we are refunding to the Company, and we would also be getting additional Income-tax and Sales tax from the Bullion Sales in Bangalore.

6. These matters require early examination.

———

7.—*Supervision of Mines and other charges.*

The expenditure in the department since 1938-39 is noted below :— Statistics of Expenditure.

(In Lakhs of Rupees.)

Year	Supervision	Other Charges	Total
	Rs.	Rs.	Rs.
1938—39	·27	1·79	2·06
1939—40	·29	1·83	2·12
1940—41	·33	1·95	2·28
1941—42	·35	1·92	2·27
1942—43	·36	2·03	2·39
1943—44	·35	2·20	2·55
1944—45	·32	2·30	2·63
1945—46	33	2,40	2·73
1946—47	·32	2·43	2·75
1947—48	·42	2·98	2·40
1948—49	·57	3·37	3·90

2. The Chief Inspector of Mines has stated in his reply to my questionnaire that the Mines have reached great depths and there are more than 600 miles of tunnels and hundreds of working places requiring constant inspections, and that in this department, the extent of work cannot be gauged by the statistics of correspondence, etc. From the statistics furnished, it is seen there has been a slight decrease in recent years in the number of accidents dealt with by the department as compared to 1932-33, and that there has been an increase in recent times in the number of licences granted under the "Explosive Acts and Rules." The Chief Inspector states that in view of the considerable volume of work to be done, the existing staff is hardly adequate and no retrenchments are possible in his department. I feel, however, unable to accept this view. There has been an increase in the number of officers in recent years *as per statement noted below* and some retrenchments ought to be possible.

1938-39.	*1948-49.*
1 Chief Inspector of Mines.	1 Chief Inspector of Mines.
1 Inspector of Mines.	1 Inspector of Mines.
1 Assistant Inspector of Mines.	2 Assistant Inspectors of Mines.
	1 Inspector of Machinery.
1 Junior Inspector of Mines.	3 Junior Inspectors.
4	8

3. As per Government Order No. E. 8380-82—701, dated 1st April 1948, the cadre of Assistant Inspectors of Mines has been increased from 2 to 3 against the deputation vacancy of Mr. S. R. Prasad as Instructor in Mining Economies in Staff.

in the Sri Jayachamarajendra Occupational Institute. There is no need to increase the cadre of Assistant Inspectors in the Mines Department to provide for the loan of an officer to the Sri Jayachamarajendra Occupational Institute. The Officer lent may be seconded in his permanent appointment of Junior Inspector in the department and allowed to draw in the Sri Jayachamarajendra Occupational Institute on a tenure basis whatever emoluments are deemed necessary in consonance with his duties there.

4. The post of Inspector of Machinery in grade 200—40/2—400 which was recently sanctioned and which is said to be unfilled may be abolished. The posts of 3 Junior Inspectors in grade 125—10—175 seem to be superfluous. If it is necessary to have a trained Junior Officer available to take the place of an Assistant Inspector in due course, it would be sufficient if one post of the Junior Assistant Inspector is retained. The Department would then consists of:—

		Rs.
Chief Inspector	...	800—50—1,000
Inspector	...	450—50/2—600
Two Assistant Inspectors	...	200—40/2—400
One Junior Inspector	...	125—10—175

(N.B.—Against the Junior Inspector on other duty in the Sri Jayachamarajendra Occupational Institute, an *S.P.T.* or Acting appointment of Junior Inspector may be made).

5. In the Ministerial Establishment, which consists of a Head Clerk, three Clerks and a Mining Attendant, there does not appear to be any scope for reduction.

6. Regarding other charges economy if any possible in the departments to which these charges relate will be considered when the expenditure relating to them is dealt with.

7. The list of retrenchments proposed would thus be—

		Rs.		Rs.
Inspector of Machinery ...	...	200	+ H.R.A.	30
2 Junior Inspectors of Mines	...	250	+	45
Total	...	450	+	75

Or Rs. 6,300 per annum.

8.—*Sinking Fund.*

Public debt outstanding.

The details of the Public Debt in 1938-39 and now are noted below. While the 6¼ and 6½ per cent loans have been discharged there has been an increase of Rs. 4 crores in the 3 per cent loan 1956-62 and Rs. 5 crores in the 3 per cent loan 1958, the net increase under Public Debt being Rs. 7·8 crores. During the same period unfunded debt has also increased from Rs. 5·78 crores to Rs. 11 crores and Reserve Funds from Rs. 3·31 crores to Rs. 17·48 crores. (*Vide* statement of Assets and Liabilities Annexure No. VI).

	1938-39	*1948-49*
	In lakhs of Rs.	In lakhs of Rs.
Mysore 5½ per cent converted ...	·03	—0·05
6¼ do ...	102·53	1·42
6½ do ...	25·39	0·73
7 do ...	·11	0·07
5 per cent 1955 ...	163·44	163·43
5½ per cent 1938 ...	2·86	0·66
4 per cent Conversion loan 1953-63.	295·85	295·83
3½ per cent 1951-58 ...	50·00	50·00
3 per cent 1956-61 ...	199·73	599·71
5 per cent Shimoga District Board Railway Debenture Loan.	3·35	0·59
3 per cent Loan 1958 ...	...	508·74
Total ...	843·29	1,621·13

Assets and Liabilities.

2. Against these increases in liabilities our capital assets have increased from Rs. 18·20 crores in 1938-39 to Rs. 37·28 crores in 1948-49 and cash and investments from Rs. 8·54 crores in 1938-39 to Rs. 22·86 crores now. Thus against a total liability of Rs. 34·32 crores as at the end of 1948-49 excluding Reserves and Depreciation Funds as per details noted below, our capital assets alone are Rs. 37·28 crores. We have in addition cash and investments to the extent of Rs. 22·86 crores. It should be remembered in this connection that the assets shown in the Assets and Liabilities Statement, do not include the Assets of Government in the sense in which the term is used in commercial undertakings. Government have valuable assets in the shape of land, forests, buildings (residential and non-residential), workshops, stocks and stores and other works constructed out of Revenue which a Commercial firm would include in its Statement of Assets but which are not included in this statement. *Our General*

Financial position is therefore perfectly sound as it stands to-day.

		In crores of Rs.
Public Debt	...	16·21
Unfunded Debt	...	11·02
Local and Other Funds	...	4·42
Deposits	...	2·67
		34·32
Depreciation Reserve	...	6·40
		40·72

3. The liabilities on account of Reserves and Sinking Funds are as under :—

		In lakhs of Rs.
Sinking Fund	...	385·68
Famine Insurance Reserve.		65 ·98
Special Reserve	...	651·41
General Reserve	...	4·47

These are however funds which are built up from our Revenues and the keeping of liquid assets in the shape of Government Securities against these in various proportions strengthens our Financial position. At present the entire Sinking Fund, Famine Insurance Reserve and Gold Mining capitalisation fund is kept in 100 per cent liquid securities.

Contribution to Sinking Fund.

4. Regarding the present contributions to the Sinking Fund, it may however be stated that it bears no fixed relation to the loans that are current. This contribution was fixed with reference to the 6¼ per cent, 6½ per cent and 7 per cent State loans and the same annual contribution is still running. The position of the Sinking Fund was however reviewed constantly, and Special contributions were made from time to time as and when necessary or possible. The additions noted below were made in recent years as a result of the above policy. Regarding crediting the interest on the Sinking Fund balances to the fund itself the procedure has not been uniform, the interest at times have been credited to the Revenue Accounts when deficits were anticipated. From the past few years however interest is being credited to the Fund itself. But even then the balance now at credit of the Sinking Fund with the annual contribution and special contributions, etc., would not be adequate to discharge the loans when they fall due. Although we may be under no obligation to build up an adequate

Sinking Fund for repayment of our loans when they fall due it would however be a wise and prudent policy to provide for suitable Sinking Funds to enable the discharge of a major portion of the loans when they fall due without necessarily having recourse to conversion loans. Ordinarily however a conversion loan is usually floated to absorb the amounts that would otherwise be released on the market and it is only the Scrip that is not tendered for conversion that is paid in cash. This is quite a common and recognised procedure as otherwise the present generation would have to make unnecessary sacrifices just to create assets for posterity and this is not good finance either.

	Rs.	
1941-42 ...	6	Lakhs.
1942-43 ...	5	,,
1943-44 ...	5	,,
1944-45 ...	5	,,
1946-47 ...	1	Crore.

Increased Contribution to Sinking Fund necessary.

5. The Mysore Government's credit in the money market has always been very high and conversion loans to absorb in part loans due for payment could ordinarily be expressed to be quite successful. At the same time this is in no small measure due to the prudent handling of the State's Finances by the previous administrations. The same watchfulness has to continue and amortisation arrangements in respect of existing loans should therefore always be there and they should be good enough so as to inspire confidence in the borrowers. The need for building up adequate Sinking Fund so as to keep the dead weight of debt reducing and also keep our capacity for future borrowing unimpaired is always there. As the present Sinking Fund balances with the annual contributions the interest on the fund also being added on would be inadequate to pay our loans even on a 50 per cent basis, increased contribution to the Sinking Fund would be necessary and we would have to bear this in mind while preparing our future Budgets. If in addition Government decide to borrow for pushing on with schemes involving heavy capital now under contemplation an increase in the contribution to the Sinking Fund would be essential. An increase in the contribution to Sinking Fund appears necessary immediately the Revenue position makes this possible.

IX AND 9.—INTEREST.

The Receipts under this head since 1938-39 is noted below :—

In lakhs of rupees.

	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
1 Interest on Loans and advances.	4·16	4·25	3·90	2·36	1·63	·55	·72	·44	·39	·90	·82
2 Interest on Arrears of Land Revenue.	·58	·77	·73	·75	·66	·57	·61	·60	·54	·51	·46
3 Interest on Investments.	14·72	14·84	15·79	16 68	20·29	25·26	39·72	58·10	58·91	67 49	54·55
4 Interest on Sagar-Anandapur Railway Capital.	·28	·30	·28	38	·34	·33	·23	...	...	...	...
5 Deduct Refunds.	·02	—02	·12	·05	·01	·01	·01	·02	·01	·02	·01
Total ...	19·72	20·14	20·58	20·12	22·91	26·70	41·30	59·12	59·83	68·88	55 82

2. The increase under 3 Interest on Investments is mainly due to the increases in the Government investment account partly due to the increased surpluses during War years and partly to the loans floated on anti-inflational means with a view to absorb idle funds. With the large capital programme undertaken by Government and loans given to some Industrial Concerns, etc., the securities in the general investment account is shrinking rapidly and this accounts for the fall under this head.

3. We have still a large capital programme to finance and unless Government decide to borrow these, there would be a further shrinkage in the investment. A reduction of 8 crores is already anticipated between the investment account as on 1st July 1948 and 1st July 1949 (*Vide* page 56, Financial Secretary's Memo) and if another 4 crores of securities for meeting further capital is to be sold, the securities left will be about Rs. 12·66 crores and we may expect an interest of only Rs. 38 lakhs. A reduction of Rs. 16 lakhs is therefore anticipated.

9. Interest on Debt and other obligations.

Interest on Debt.

4. The following statement shows the expenditure under this head since 1938-39 :—

In lakhs of rupees.

Interest	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
On Debt ...	39 65	35·26	33·67	28·21	27·71	25·79	37·25	38·27	42·42	55 47	55·13
On other Obligations.	19·27	19·06	19·68	21·99	22·96	25·90	24·32	25·82	30·96	30·72	31·66

The increase under Interest on Debt is due to the 3 per cent loan of 1956-61 (Rs. 4 crores) and the 3 per cent loan of 1958 that were raised during this period.

5. If any further loan is floated, the Expenditure under this head will increase proportionately. In the proposals put up by me with regard to financing our Capital Schemes measures for avoiding further borrowing as far as possible have been suggested. But the rapid completion of our Irrigation Programme (about Rs. 12 crores) and the taking up the Electrification of Railways and construction of new Railway lines and for an Electrical Development Programmes such as Mekadatu will render borrowing inevitable. Similarly, if we are to take up any new industries, additional borrowing would be necessary involving further interest charges and also increased provision under Sinking Fund.

Interest on other obligations.

6. The main items under this head are interest payable on Government Savings Bank Deposits including Government Fixed Deposits and Savings Certificates, State Railway and other Provident Funds, State Life Insurance Funds, etc. As the balances under these heads increase the charges under this head will also increase. There will be an increase under this head if the rate of interest on Savings Bank Deposits, and Savings Certificates is increased.

Need for reduction of interest on Insurance Fund Balance

7. I have separately proposed that the rate of interest on State Life Insurance and Provident Fund be reduced. If this is done, there would be a saving of over Rs. 2 lakhs.

Additional interest charges to be provided for against increase in Savings Bank Certificates, etc.

8. While considering the financing of Capital Works, a drive for increased contribution to the Mysore Government Saving Certificates has been suggested. If the drive is successful, it will mean additional interest charges. If we assume that during the next five years a sum of at least Rs. 2½ crores could be obtained through increases under these heads, it will mean an additional interest charges to the extent of about Rs. 5·0 lakhs.

Economies suggested and increase in expenditure anticipated are as under:—

	Rs. in Lakhs.
1. By reducing the rate of interest on State Life Insurance Fund ...	—2·00
2. Due to drive for increased contribution to Savings Certificates, etc. ...	5·00
3. Due to increase in the rate of interest on Fixed Deposit	2·00
Net increase in expenditure ...	5·00

11. PALACE.

There is a provision of Rs. 3 lakhs for non-recurring expenditure. It is presumed that this will not repeat. I have therefore omitted this in the coming Budgets.

Non recurring Expenditure of Rs. 3 lakhs omitted.

12. General Administration.

(1) *Economies in the establishment working under the direct control of the Private Secretary to His Highness the Maharaja.*

Private Secretary's Office sanctioned strength.

The sanctioned strength of ministerial establishment of this office is :—

1 Manager on
200—10—300.

1 First Division Clerk on
60—5—90—8—130—10—180.

7 First Division Clerks (Supernumerary) on
60—5—90—8—130—10—180.

Economies suggested.

2. From the note on page 214 of the Budget for 1948-49, it is however seen that the seven I Division posts are supernumerary against an equal number in the II Division. The Private Secretary to His Highness has kindly agreed to retrench two out of these seven clerks and this may be accepted. Of the remaining 5 supernumerary I Division clerks it would, I think, be sufficient if only two are allocated to the I Division, and the remaining three are placed in the II Division. Steps may be taken to give effect to this at an early opportunity.

3. In regard to the menial establishment, the Private Secretary states that the nature of the work in his department is of a special type and suggests that as a special case his office may be exempted from the limits mentioned in the Government Circular dated the 1st July 1948. The number of menials now allowed appears to be excessive in the case of the Assistant Secretaries and A.D.C.'s. Conditions of work in the Palace may no doubt be somewhat different than those in other offices but that may not necessarily require an extra strength in the menial staff.

4. The economies possible in the Gazetted staff has not been touched upon.

5. The expenditure under reception and entertainment of guests is increasing as noted below :—

	1938-39.	*1947-48.*
1. Number of State guests ...	1,081	2,791
2. Expenditure incurred (catering) ...	Rs. 0·70 lakhs.	Rs. 1·53 lakhs.

Economy under this head appears possible.

6. These will result in savings as under :—

		Rs.
1.	By the abolition of 2 posts of the supernumerary I Division Clerks ...	2,400
2.	By the transfer of 3 Supernumerary I Division Clerks and appointing II Division Clerks in these places ...	720
	Total ...	3,120

(2) Dewan and Ministers.

A saving of about Rs. ·75 lakhs may be anticipated under this head consequent on savings that could be effected under Salaries, Contingencies and other charges.

(3) The Mysore Legislature Department.

The Office of the Mysore Legislature consists of the following, excluding the President and the Deputy President :— Details of staff.

1 Secretary.
1 Superintendent.
3 First Division Clerks (one for R. A. work, one for L.C. work, and one for the Library).
2 Second Division Clerks, against one of which an Accountant of the Comptroller's Office (with 20 per cent D.A.) is posted.

9 { 3 Senior English Reporters.
  { 6 Junior English Reporters.

8 { 5 Senior Kannada Reporters.
  { 3 Junior Kannada Reporters.

16 { 1 Mutchi.
   { 1 Daffedar.
   { 14 Peons (Dalayets 10+1 Temporary, Watchmen 2 and Sweeper 1).

2. The Secretary who was consulted regarding economies that could be effected has stated that no economies are possible. On a review of the distribution of work amongst the staff it appears to me that a full time First Division Clerk is quite unnecessary for the Library. One of the other clerks or Reporters may look after the Library also in addition to other work, and this post may be retrenched. The Superintendent himself should be able to attend to a considerable amount of important original work besides general supervision. There appears to be also no need to have an Accountant of the Comptroller's Office against the post of a Second Division Clerk (granting him a deputation allowance of Economies in staff.

20 per cent). The accounts in this department are by no means so cumbrous or complicated as to require a man from the Comptroller's Office.

Reduction in number of reporters.

3. As regards Reporters, it may be stated that there does not appear to be much of English Reporting work in the Representative Assembly while in the Legislative Council there may be more of English Reporting. There are now 17 Reporters—9 for English and 8 for Kannada. As it is hardly likely that these Reporters could have full work when the Assemblies are not in session, it was suggested that their services might be utilised for typing and other work in the Secretariat also during the off-season. The Secretary, however, states that, besides reporting the proceedings of 4 Sessions of the Legislatures, they have other work to attend to, such as preparation of agenda, publication of proceedings, reporting the proceedings of the other Committees constituted out of the two Houses of Legislature, and that they would have full time work all the year round in the office of the Legislature itself. Whether all the 17 Reporters would thus have continuous and sustained work throughout the year is a matter for examination. The position can, however, be best reviewed after the new constitutional set up is known. With the increasing use of Kannada by the members, I believe that the number of English Reporters can be reduced by 3 immediately and perhaps the number of Kannada Reporters also by 2, leaving the strength at 6 English and 6 Kannada Reporters. Economies in Government expenditure is necessary and every department has to bear its share of the cuts to be imposed.

Reduction in the Menial Establishment.

4. According to the scale recently suggested by Government, the number of menials that may be allowed, is indicated below :—

President	...	1 Jamedar (scale allowed to a Minister in the Government of India).
		3 Peons.
Deputy President	...	1 Duffedar.
Secretary	...	2 Peons.
Office	...	4 Peons (including a Cycle Orderly if need be).
		1 Watchman and
		1 Sweeper.
Total	...	13

There are now 16 peons and thus 3 peons may be retrenched.

Reduction under contingencies,

5. The expenditure under Contingencies and Miscellaneous is increasing year by year as seen from the undermentioned figures:—

	1948-49.	*1947-48.*	*1946-47.*	*1945-46.*	*1938-39.*
(*a*) Contingencies...	5,000	2,500	1,830	1,384	2,266
(*b*) Miscellaneous ...	57,000	51,000	48,498	39,365	20,712

In view of the urgent need for economy, the grant under Contingencies may be reduced to Rs. 2,000 on the basis of the accounts for 1946-47.

Reduction in lunch charges.

6. A substantial reduction in the grant under Miscellaneous appears also necessary. A large portion of the expenditure under this head relates to charges for providing lunch at the sessions of the Representative Assembly and Legislative Council. It is understood that the practice of providing lunch at State cost is not prevalent in the Indian Provinces and other States as could be seen from the following extracts from the replies received by me in this connection:—

EXTRACTS.

Madras—

"Lunch is not provided at Government expense nor is any allowance paid in lieu thereof to members."

Bombay—

"No lunch is provided to the members of the Legislature at Government cost nor any extra allowance is paid to them in lieu of lunch."

Hyderabad—

"No lunch or tea is provided to the members at Government cost during the sessions. The catering arrangements are entrusted to a private caterer who charges the members his usual rates."

Travancore—

"No lunch is provided, nor are the members given extra allowance in lieu of that."

Cochin—

"No lunch is provided to the members at Government cost during the Sessions nor is any extra allowance paid to them in lieu of lunch."

I feel that we may also discontinue this practice (Facilities may be provided by establishing Canteens where members may purchase whatever refreshments they want). If the system of free lunch is discontinued, a saving of about Rs. 25,000 could be secured.

Accommodation.

7. At present rent-free accommodation is being made available to members of the Representative Assembly and Legislative Council. Whether some suitable rent may not be recovered from members whenever accommodation is provided for them by Government may also be investigated.

8. The probable savings if the above proposals are accepted would be as under :—

		Rs.
1.	Legislative Department—	
	Establishment	9,200*
	Contingencies	3,000
2.	Miscellaneous	30,000
	Total ...	42,200

*1. By retrenching the post of First Division Clerk in charge of the Library ... 60 plus 18

2. By reverting the Accountant deputed from the Comptroller's Office and appointing another on the grade pay of the post... 20 „ 12 DA

3. Three English Reporters—

1 Senior Grade Rs. 150—10—200 ... 150 „ 30

2 Junior Grade Rs. 75—5—150 ... 150 „ 30

4 Two Kannada Reporters—

1 Senior grade Rs. 100—10—200 ... 100 „ 22-8-0

1 Junior Grade Rs. 50—5—100 ... 50 „ 18-0-0

5. Three Peons (Rs. 18—½—22) ... 54 „ 45-0-0

Total ...765 × 12 Rs. 9,180

4. Civil Secretariat.

The following statement gives the expenditure under several sub-heads from 1938-39 onwards:—

In lakhs of rupees.

Sub-heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
Salaries ...	2·62	2·76	2·45	2·08	2·12	1.61	1·50	1·59	1·46	1·31	1·55
Establishment ..	4 99	4·29	3·35	2·96	2·72	2·67	2·74	2·64	2·48	2·50	2·49
Travelling Allowance—											
Officers ...	·15	·15	·16	·10	·11	·06	·07	10	·08	·08	·06
Establishment ...	·33	·25	·37	·28	·26	·19	·15	·18	·20	·16	·14
Special charges—											
Bicycles and Type-writers.	·03	·09	·03	·02	·01	·01	·01	·01	·03	·01	·01
Library charges ...	·05	·10	·09	·05	·06	·05	·04	·04	·04	·05	·06
Types, materials and other charges.	...	...	...	...	...	...	·01	...	...	...	...
Contingencies ...	·54	1·45	·67	·49	·52	·43	·35	·32	·28	·24	·38
Standing Committees	·02	·02	·03	...	...	...	...	...	...	...	...
Charges connected with Elections to Legislature.	·05	·52	·01	...	...	...	...	...	...	...	...
Charges connected with Reforms.	...	·03	·01	...	...	...	...	...	...	..	...
Charges relating to Prohibition Committee.	...	·01	·07	...	...	...	...	...	...	...	...
Publicity Advertisement charges.	·18	·18	·07	...	...	...	...	...	...	...	...
Charges connected with Constituent Assembly.	1·00	·60	...	...	...	...	...	...	...	...	...
Charges for K.G.F. enquiry, etc.	...	...	...	...	...	...	...	...	02	...	...
Total ...	9·96	10·45	7·24	5·98	5·80	5·02	4·87	4·88	4·59	4·85	4·69

It will be seen therefrom that the total expenditure which was Rs. 4·69 lakhs in 1938-39 is budgeted this year at Rs. 9·96 lakhs. The Chief Secretary who was requested to kindly furnish statistics of work with his views regarding any economies possible states that "even with the existing strength, it is found difficult to cope with the increased volume of work, and several branches are asking for additional hands."

Increase in staff.

2. The strength of staff in the Secretariat as on 1st January 1939 and on 1st January 1948 as furnished by the Chief Secretary is noted below:

	Strength of staff		*Additions*
	1-1-1939	1-1-1948	
1 Gazetted :—			
(*a*) Secretaries ...	6	9	3
(*b*) Assistant Secretaries ...	13	18+2	5+2
2 Non-gazetted	207	448	241
3 Inferior	230	419	189

It will be seen from the above that there has been an addition of three Secretaries since 1939. It may be added that in 1935 there were only four full-time Secretaries to Government. Whatever might have been the pressure of work that necessitated this large addition during the war period a substantial reduction in the number of Secretaries to Government ought to be possible now by a suitable redistribution of work and delegation of powers. *In any event the need for economy requires such a reduction.*

Reduction in No. of Secretaries.

3. Regarding the posts that could be abolished there was no separate Food Secretary for a long time after the scheme for compulsory acquisition of food grains and food controls were imposed in the State. The post of Food Secretary was created only when portions of the State were threatened with famine and this was purely a temporary measure. The need for continuing it as a full-time post even now requires examination. The Director of Food Supplies has a Deputy Commissioner as an additional Director. It is a matter for examination whether from the point of economy, it may not be desirable to make the Director again *Ex-officio* Secretary. The posts of Railway Secretary and Public Works Secretary have recently been created. Formerly, the Chief Engineer was *Ex-officio* Secretary to Government and similarly the General Manager was *Ex-officio* Railway Secretary. Some time later one of the Secretaries was *Ex-officio* Railway Secretary but now there is a full-time Railway Secretary. Whether these bifurcations have resulted in any distinct advantage is doubtful. Even now in most cases the opinion of the Head of the Department prevails. The disadvantages of combining the post of Secretary from that of the Heads of Departments is one that has often been raised. There is also no gainsaying that the advantages outweigh the disadvantages and with the Head of the Department as *Ex-officio* Secretary, there would be quicker disposal of work. Personally I think that in view of the changed conditions, it is very necessary that the Secretary to Government *ex-officio* or otherwise should be the seniormost officer of the department and be in a position to communicate final orders of Government on all routine matters without troubling the Ministers unnecessarily. In this view also the posts of Public Works Secretary and Railway Secretary and Food Secretary may be abolished, the Heads of Departments being *Ex-officio* Secretaries.

4. Two new posts of Revenue Secretary and Education Secretary have latterly been created. One of these at least, I think, may be abolished. It may be added, the abolition of superfluous posts of Secretaries will also result in additional economies in that a number of other consequential posts could also be abolished.

A Committee of Senior Officers may be appointed to scrutinise the work and suggest measures for simplification of procedure, etc.

5. Regarding the increase of work referred to by the Chief Secretary complete statistics were not available nor was I able to examine the work and see how much of it was avoidable or unnecessary. My experience is that the work now being done in the Secretariat could be considerably reduced. A Committee of Senior Officers may therefore be appointed to examine and suggest measures for simplifying the procedure and reducing the work in the Secretariat one of their terms of reference being that they should secure at least a 33⅓% economy in the Secretariat establishments including Secretaries and delegation of larger powers to Secretaries, Assistant Secretaries, Superintendents would also minimise routine work which is adding to the burden in the Secretariat.

Lengthy noting by the case workers to be discouraged.

6. The practice of calling for information from Heads of Departments even when full information is already available has also to be discouraged. Larger use has to be made of the telephone. Also instead of sending lengthy communications to Heads of Departments which cause delay in typing, etc., the referring of files unofficially may be resorted to in a larger measure. The present tendency of case workers putting up long notes repeating the matter already contained in the paper under disposal has also to be discouraged. The real noting on the file has to be done only by the Gazetted Officers. These measures would increase the turn-over of work and thus reduce unnecessary establishment.

Reduction in the number of Assistant Secretaries.

7. *Assistant Secretaries.*—There are now 20 full-time Under and Assistant Secretaries, as against 10 full-time and 2 *ex-officio* officers in 1939. For the Civil Departments (*i.e.*, excluding Public Works, Electric and Railways) alone, there are now 17 officers as against 9 in 1939. This appears to be due to creation of new posts for—

(i) Confidential Branch (which was previously under the direct charge of Chief Secretary with no intermediary subordinate gazetted officer).
(ii) One additional post for Local Self-Government.
(iii) One Additional post as between Protection, Law and Legislation.
(iv) One for Food (Temporary).

(v) Two for additional charges for Agriculture.
(vi) Forest and Special Revenue.
(vii) One on the Dewan's Office.
(viii) One in the Labour Secretariat.

8. There was no full-time post for the Confidential Branch. I believe that the original idea was that as the papers attended to in this Branch related to very Senior Officers or to Political matters dealt with at a very high level, the Secretaries themselves would note on the papers, the Superintendent of the Branch putting up all the references. If this is correct and the old procedure is continued the post of the separate Assistant Secretary, Confidential Branch, would be unnecessary.

9. One of the following three posts may also be abolished :—

1 Protection.
2 Legislation.
3 Law.

Only two Assistant Secretaries were formerly attending to *this work one of them being also additional Secretary, Representative Assembly and Legislative Council.* One post at least of Assistant Secretary could therefore go, the work being distributed between the other two. The separate post of Assistant Secretary, Labour, could also be abolished.

10. Regarding the other posts, out of the three Assistant Secretaries for Local Self-Government, Agriculture, Forest and Special Revenue, the two posts newly created may be abolished by a suitable redistribution of work.

11. As regards the three Technical Departments, Public Works Department, Electrical and Railway for which there are two full-time Assistant Secretaries, one of the posts at least may be abolished.

12. With the pay of the Superintendents substantially increased whether one of these posts, *i.e.*, either that of Assistant Secretary as it stands at present without any powers of final disposal or that of the Superintendent is not superfluous has to be examined. Personally I think greater responsibility and powers may be vested in the Superintendents taking away much of the routine work which the Assistant Secretaries are now doing. Routine papers may be submitted to Secretaries direct by the Superintendents thus making it possible to reduce the number of Assistant Secretaries. A few places of Secretaries may also be replaced by Deputy Secretaries.

13. While replying to my Note regarding the increase in hours of work, the Chief Secretary says that in doing this the fatigue factor has to be taken into consideration and suggests on the other hand "the fullest employment during the present hours of work by stopping loitering and aimless conversation where it is in vogue by a stricter control by superior officers and insistence on greater output." *He therefore considers a larger output in the Secretariat possible.* If so, a reduction in staff ought certainly to be possible. The hours of work may also be increased as suggested in Chapter III (i) thus enabling further reduction in staff. Hours of work.

14. Whether the number of Branches could not be reduced thus reducing the number of Superintendents, Diaryists, establishments, etc., requires also examination. Pending examination of all these a reduction of 12½% in the existing staff including Superintendents may be made. Reduction in the number of branches.

15. To a suggestion whether the qualification cannot be reduced the Chief Secretary considers that it would be false economy if such a step were ever to be contemplated as the standard of men available for recruitment is poor, even though they are graduates. I, however, think that if undergraduates are recruited and properly trained they ought to make every efficient II Division clerks who could be entrusted with the work of diarying, file-registering and minor case-work. There used to be a number of such officials in the Secretariat and some of them were really top class and in view of the need for economy we should examine in detail the type of work in each Branch that could be entrusted to undergraduates in preference to I Division graduate clerks and reduce the number of the latter. Economy to be effected by increasing the II Division clerks against reduction in the I Division.

16. Regarding the number of menials, this has increased from 230 to 419. The number of menials is almost equal to the number of clerks and appears to be far too much. The number may be reduced according to the scale suggested in Chapter III (*b*). Reduction in number of menials.

17. The expenditure on Contingencies in the Secretariat is growing. The revised estimate was Rs. 1·45 lakhs. It appears to be necessary to limit the expenditure. Between this and Travelling Allowance, I have taken a reduction of Rs. 15,000 as possible. There is a new item "Publicity Advertisement Charges." This probably may have to be continued in view of the need for publicity to Governmental measures. Allotment of contingencies and travelling allowances to be reduced.

Provision for Constituent Assembly to be deleted.

18. A provision of one lakh of rupees has been made for charges connected with Constituent Assembly. This is a non-recurring item and may be deleted from future Budgets.

19. If the suggestions referred to above are accepted, a saving of Rs. 2·72 lakhs as indicated below could be effected.

	Rs.
Abolition of the posts of Food Secretary, Railway Secretary or Public Works Department Secretary, Education Secretary	41,520
Abolition of the posts of Assistant Secretaries of Confidential Branch, Protection, or Law or Legislation, two newly created posts against Local Self-Government, Agriculture, Forest, Special Revenue and of Public Works Department or Electrical or Railways	20,400
12½ per cent cut amongst staff including Superintendents	60,080
12½ per cent cut amongst peons (A larger extent may be possible)	35,000
Contingencies and Travelling Allowance ...	15,000
Charges connected with Constituent Assembly ...	1,00,000
Total ...	2,72,000

4. Public Service Commissioner.

The work relating to the recruitment to the services was formerly attended to by the Secretary, Central Recruitment Board, an officer of the status of an Assistant Commissioner and his office functioned somewhat as a Branch of the General and Revenue Secretariat. With the appointment of the Public Service Commissioner, the functions of the Officer have become enlarged and the office has become a separate unit, though even now the entire establishment is shown under "12. General Administration—4. Civil Secretariat". The strength of the office in 1938-39 and 1948-49 is noted below :—

1939		Temp.	1948		Temp.
Gazetted.—			Gazetted.—		
Secretary, Central Recruitment Board ...	1		Public Service Commissioner.	1	
			Secretary to P. S. C. ...	1	
Total ...	1		Total ...	2	

1939			1948			Temp.
Non-Gazetted.—			Non-Gazetted.—			
Superintendent	...	1	Manager	...	1	
I Division Clerks	...	2	Inspectors	...		2
II Division Clerks	...	2+3 (Ty)	I Division Clerks	...	6	
Steno-Typist	...	1	Steno-Typist	...		
Mutchi	...	1	Personal Clerks	...	3	
			Typist	...		
Total	...	7+3 (Ty)	II Division Clerks	...		4
			Mutchi	...	1	
			Total	...	11	6
Menials.—			Menials.—			
Dalayats.—		4	Peons	...	9	
			Watchman	...	1	
Total	...	4	Total	...	10	

2. The following statistics give an idea of the growth of work since 1938-39 :—

Year	*Applications received*	*Letters received*	*Letters issued*
1938-39	Figures not available	5,525	7,063
1947-48	14,603	8,463	8,456

The Public Service Commissioner states that there is no scope for any retrenchments being made either in the establishment or travelling allowance and contingent grants. The figures noted above however show that there has not been a very large increase in the amount of work although the staff has increased from 10 to 16 during the same period. No doubt, with the increase in the status of the post, there may have been a considerable increase in the number of unofficial references, but no statistics regarding this has been furnished. On the basis of 10 files a day per clerk and 250 working days, the number of clerks required for this office to handle the correspondence would not exceed 4 and another 4 should be more than adequate to deal with checking of statements, registration of applications, etc. A retrenchment of 2 clerks thus appears possible. Again, there is no need for a Manager on Rs. 150-10-200 for a small office like this, when there is a Secretary of the status of an Amildar. The post of Manager may also be retrenched. The temporary staff of 6 may be disbanded.

3. Regarding Menial Establishment.—From the particulars furnished, it is understood that one Daffedar and 3 peons are working under the Public Service Commissioner. As per recent circular orders of Government, only one Daffedar and two peons are permissible to the Commissioner. One peon may be retrenched.

4. As regards augmentation of receipts, the Public Service Commissioner suggests the levy of a fee of Rs. 5 on all applications received from candidates. A flat rate of Rs. 5 for all applications may be too much. I think this may be reduced to Re. 1 in the case of clerical appointment and Rs. 5 in the case of Gazetted appointments or appointments carrying a pay of over Rs. 200. This may bring in a Revenue of about Rs. 10,000.

5. The above proposals if accepted will result in a saving of Rs. 8,500 as noted below:—

	Rs.
1. By retrenching the posts of—	
One Manager	4,000
Two Clerks	
One Peon	
Temporary Staff.—	
2. By retrenching—	
Two Inspectors	4,500
Four II Division Clerks ...	
Total ...	8,500

5. Audit Department.

(Comptroller's Office—Civil)

Comptroller is the principal Audit and Accounting Officer of the State.

The Comptroller in Mysore is responsible for the efficient audit of Expenditure in the State. He is the principal Accounting Officer and compiles, prepares and submits to Government all the accounts in respect of the Revenues and Expenditure of the State including the Ways and Means of transactions in the form and manner prescribed for approval by Government from time to time. Orders of Government requiring sanction in the Finance Department will be issued or communicated through that department. Ordinarily the Finance Department of Government whose mouthpiece is the Financial Secretary, is the final authority in all matters of audit and accounts, subject only to the review of the Audit and Appropriation Report by the Public Accounts Committee, whose report in turn is placed before the Legislature. In a sense therefore he performs also the functions of the Auditor-General in respect of this State. As per standing orders, however, cases of irregularity should not be included in the report before Government have passed orders thereon.

The Comptroller also attends to the duties devolving on him on account of "Higher Audit" whose functions were described in a Government of India despatch extracted below:—

> "In place of the formal examination of authorities and of rules, the work should be conducted with greater regard to the broad principles of legitimate public finance. The audit will not only see whether there is quoted authority for expenditure, but will also investigate the necessity for it. It will ask whether individual items were in furtherance of the scheme for which the budget provided, whether the same results could have been obtained otherwise with greater economy, whether the rate and scale of expenditure were justified in the circumstances; in fact, they will ask every question that might be expected from an intelligent tax-payer bent on getting the best value for his money. The Audit Officers will also devote more of their time to looking into the manner in which the various executive officers are undertaking their more important financial responsibilities."

Latterly, however sufficient attention does not appear to have been paid to this work.

Audit to be prompt and submission of account to be punctual.

2. Audit to be effective must be prompt and "Accounts" if they are to assist the executive in their administration and to serve the purpose intended, must be correctly compiled and submitted punctually to the proper authority. If both these are not done, the Audit and Accounts Office would not have served its purpose and this must be insisted upon at all costs. The functioning of this department is therefore of paramount importance for sound administration and it is therefore absolutely necessary that its efficiency is always maintained at the highest level in the greater interests of the financial economy and administration of the State. The independence of Audit has also to be zealously guarded and necessary steps should be taken up to secure this as otherwise "Audit" cannot function properly.

Need for effective audit of Revenues.

3. The Comptroller however is not generally entrusted with the Audit of Revenues which function devolves on the administrative departments. Some time ago there was a separate Revenue Audit Officer, whose main purpose was to see that all Revenues due to Government were promptly taken on demand and collected and that there were no leakages of revenue. This post was abolished and as far as the Revenue Department was considered the Commissioner had two Auditors for the audit of revenues. I understand that latterly these have also been transferred to the Efficiency Audit Department. The Audit of Revenues and an annual check to see that

demands in Revenue-earning departments are properly raised, taken to account and collected and that there are no leakages, is most important and in the larger interest of the Revenues of the State it is necessary to revive this audit, the duties being entrusted if necessary to the officer in charge of Efficiency Audit. This officer and staff would by their scrutiny be able to earn much more than what is spent over them in the shape of salaries, travelling allowance, etc., while at the same time ensuring that the Revenue accounts are properly maintained. At present in every department there is considerable difference between the collections as per the Comptroller's accounts and the accounts of the department and no attempt is made to reconcile these figures although the Comptroller sends monthly statements of receipts and expenditure to each department. The Departmental Audit of Revenue is also not quite satisfactory. An efficient audit of revenues would incidentally bring to notice leakages in Revenue and misappropriations and enable appropriate action being taken well in time to check such irregularities.

Responsibilities of the officers regarding initial accounts.

4. Even with regard to expenditure, it is not correct to say that the Comptroller looks into all the details of expenditure. Considerable responsibility devolves on the "disbursers" as the "correctness of the initial accounts" which the Comptroller accepts in Audit is in a large measure dependent on the care and attention bestowed on these by departmental officers. These are no doubt subject to examination during local audit, but these local audits take place only at long intervals or whenever there is defalcation. It is, therefore, very necessary to see that these initial records are properly and correctly maintained. In this context therefore the Comptroller's complaint that "most spending departments have no audit conscience and are not controlling the expenditure with the care expected of them," is most disquieting. No amount of audit can replace the initial scrutiny of expenditure by departmental officers and it is therefore essential that any slackness in this matter should be very seriously noticed. In fact the strength of the Audit and Accounts Offices could be considerably reduced if the rules are properly observed and the accounts from subordinate officers are received promptly and correctly. It is the want of these that requires a big establishment in the Accounts and Audit Department. Every officer should be made to realise that any slackness in this matter will be visited with severe displeasure, punishment and even dismissal.

Comptroller's Office.

5. The undermentioned figures give a general idea of the growth of expenditure in this department since 1938-39 and the increases in Revenue and Expenditure and the total transactions under debt heads during this period. It may be mentioned that prior to the formation of separate Audit Offices for departments like Electrical, Education, Public Works, etc., the Comptroller was dealing with the Audit and Accounts of all departments including Railways for which however there was a separate Auditor with a distinct staff. With the increased intricacies of administration and the need for a prompt audit and compilation of accounts in departments whose financial transactions were heavy, the following Special Audit Offices have since been created:—

1. Electrical Audit Office.
2. Education Audit Office.
3. Jog Audit Office.
4. Food Supplies Audit Office.
5. Public Works Audit Office.
6. The Railway Audit Office, of course, continues.
7. University Audit.

6. A separate Audit Office for the Military Department which had been created some time ago has been abolished, the audit having been taken over again by the Central Office, although an Assistant Comptroller and a few officials of the Comptroller's Office work under the Chief Commandant and under his control and attend to Local Audit. The services of Assistant Comptrollers have similarly been given to the following other departments:—

Bhadravati Iron and Steel Works	...	1 (Dy. Comptroller)
Industries and Commerce Deptt.	...	2+1 (Convener, Board of Management)
Agricultural Department	...	1
Road Transport Department	...	1
Sandal Oil Factory	...	1
Government Electric Factory	...	1
Food Department	...	2

I am however confining my attention in this Note to the Comptroller's Office proper as the other offices have been dealt with separately in dealing with the concerned departments which bear the charges.

Heavy arrears of work in the Comptroller's Office.

7. The Comptroller to Government who was asked to favour me with his suggestions in the matter of economies that could be effected in his office has sent me an elaborate note giving full particulars regarding the existing state of work in the several sections of his office

and says that there is no scope for economy in his department. A perusal of the detailed statements attached to the Comptroller's report shows an *appalling state* of arrears in almost every section of his office. Regarding this the Comptroller states "the efficiency of the department has suffered considerably on account of serious shortage of staff continuously for some years past and very heavy arrears have consequently accumulated in the several sections, more particularly as there has at the same time been a large increase in the volume of work devolving on the Audit on account of expansion of the activities of the State in several directions during the period". He adds that recently certain items of Local Audit work had to be *temporarily* suspended and the staff released thereby utilised to attend to more urgent work in the Treasury Audit and other sections of Central Audit and that except pre-audit and compilation (which it has been possible to arrange for with the available staff) "several other routine but not less important items of work such as *Post-Audit, Posting and Proving Debt, Deposits, Loan and Remittance Heads, R.S.P. and Suspense Accounts, Exchange, Accounts Objection Books*, etc., are not at all receiving adequate attention". This state of affairs in the principal Audit and Accounting Office of the State is sad reading. The Comptroller states that the distribution of the office in several buildings with unsuitable and inadequate accommodation has added to the difficulties of arranging for efficient and prompt out-turn of work. I quite agree with the Comptroller. A proper layout of the office is absolutely necessary to secure efficiency. The dispersal of the Audit Office over several buildings has seriously affected the efficiency of his office and the prompt despatch of business. If the entire office were housed in a suitable building the taking of papers from building to building and moving of officials could be avoided and considerable clerk-hours saved. The unfortunate thing however is that the office is so huge that it is difficult to secure a suitable single building to house all its departments. Perhaps the Residency Buildings would have been most suitable if it were not required for other equally important purposes. It may perhaps be worthwhile as an alternative to consider releasing the area required by the Comptroller in the New Public Offices transferring the offices now located there, to other buildings till suitable accommodation could be built for the Comptroller. The great convenience to the

Need for locating Comptroller's Office in one Building.

officials and public and the savings that would accrue by locating all the offices of the Comptroller in one building would I trust emphasise the importance of the question the early solution of which is a necessity both in the interests of Economy and Efficiency.

8. The present sanctioned strength of the Civil Audit Department is as under :— Strength of the office.

A. Gazetted :—

Comptroller	...	1
Deputy Comptroller	...	1
Asst. Comptrollers (Permanent)	...	7
Asst. Comptrollers (Temporary)	...	*2
Total	...	11

B. Non-Gazetted :—

	Permanent	*Temporary*	*Total*	
Superintendents	24	8	32	
I Grade Clerks	187	27	214	
II Grade Clerks	47	14	61	
(Including Leave Reservists, and 28 posts of I Grade converted to II Grade in Government Order dated 9th August 1947).				
Typists : Senior Grade ..	5	...	5	12
Junior Grade ...	4	3	7	
Treasurer (S. H. Treasury) ...	1	...	1	
Assistant Treasurer ...	1	...	1	
Shroffs ...	4	...	4	
Attenders ...	14	1	15	
Multigraph Setters ...	3	...	3	
Ruler and Binder ...	1	...	1	
Attender ...	1	...	1	

9. In view of the present unsatisfactory state of work in the several sections of the department the matter that needs urgent attention in the first instance is to see that the arrears are brought up-to-date and that the items of works suspended on the ground of shortage of hands are taken up and cleared with the least delay. In attempting to clear these arrears it is not necessary that all items of work done should be attended to. Lapse of time makes attention to several of these unnecessary or useless. Attention should therefore be given only to those items that need be done in the larger interests of the financial administration of the State. These items may be specified by the Comptroller or by the Committee proposed to be established (*vide* para 17 below) and a special

*Note.—(i) One for M. S. R. and Code Revision to continue till 17th February 1949 for the present.
(ii) One for " Pay and Retrocession " Sections, recommended to be made permanent.

temporary staff given for arrears clearing so that in determining the establishment required for this office one need not be obsessed with the staff required for arrears work.

10. From the statements furnished by the Comptroller it is observed that *at present*, 290 hands in all have been actually working against the total sanctioned strength of 307. The shortage of 17 hands does not seem to be so disproportionately large as to cause serious dislocation in current work especially as it includes also leave reservists.

Reduction in the number of Assistant Comptrollers.

11. Regarding economies in staff, the Comptroller is of the view that there is absolute need to further strengthen the Gazetted staff as well as non-gazetted—and that there is no scope for any reductions. I regret I do not agree with him. The distribution of work amongst the several Assistant Comptrollers attached to the Comptroller's report indicates that it is possible to effect economies. For instance, taking the Gazetted Officers, the State Huzur Treasury Officer does not have full-time work especially since a separate District Treasury was constituted. There is also no need for a full-time Officer for Pay and Retrocession and one for State Loans, Forest and Travelling Allowance. It ought to be possible by a suitable redistribution of work between these officers to reduce the posts of at least one Assistant Comptroller and also to give suitable relief to the Deputy Comptroller so that the latter officer may occupy in respect of the Civil Audit, a position analogous to that of the several Auditors. Similarly, the special post of Assistant Comptroller for Code Revision may cease as this officer must have finished most of his work and what little remains could be attended to by him in addition to the normal duties of the Sections to be attached to him.

Reduction in the number of Assistant Comptrollers by re-organisation of Industrial Audit.

12. In my note regarding Industries Department where there are now five Assistant Comptrollers and one Deputy Comptroller working in various capacities (including Sandal Oil Factory), I have suggested that a separate Audit Office for Industrial Concerns be formed and this office entrusted with the *Audit* of all commercial concerns now being attended to by the Local Audit staff of the Comptroller's Office. This will mean that at least three places of Assistant Comptrollers including the post of Convener engaged in the Audit of Industrial Concerns along with the staff may be retrenched and more efficient and useful work turned out, the audit of the Concerns which is now several years in arrears not only brought up-to-date but also conducted well in time so that the

reports would deal with current matters and not to matters over two or three years old. I think it should even be possible to introduce concurrent Audit in respect of the large Concerns.

Reduction in number of Superintendents.

13. There are now 32 Superintendents against 25 Sections. The number is capable of reduction. In the Special Section the Comptroller has two Superintendents. Why there should be even one Superintendent at all for Special Section is not clear. This Section deals with papers received from the other Audit Officers that require the orders of the Comptroller or submission to Government and as no expression of opinion or noting by the Superintendents would be called for, a first grade clerk (*i.e.*, Accountant) ought to be enough.

14. The Budget and Resource Section has two Superintendents. The need for two Superintendents even here is not clear. One Superintendent ought to do. Similarly, one Superintendent for Retrocession Section C.L.A.D., S.B. and S.P.F. may be retrenched. The temporary post of two Superintendents for M.S.R. and Code Revision could also go as soon as the sanction expires. One Senior Accountant ought to be able to see to the printing of these Codes. No separate Superintendent for the Travelling Allowance Section is necessary and the Superintendent, G.A.D., who has only six clerks in his Section may be asked to be in charge of Travelling Allowance Section also. The Superintendents for Textile Audit will, it is presumed, cease when the special work is over. The posts of eight Superintendents could thus be reduced.

Clerical Grades.

15. Before the revision of scales of pay the Comptroller's Office had two clerical grades (25—2—50) and (30—3—60) and one grade for Accountants for those that had passed the Accountant's Examination, and two grades for Superintendents for those that had passed the Subordinate Accounts Service Examination. Unfortunately or fortunately, as the maximum pay of the First Grade Clerks exceeded the prescribed minimum, these appointments came into the first grade and only graduates come to be employed. These grades have now been revised as under :—

Superintendents	...	Rs. 180—10—300
First Division Clerks	...	„ 60—5—90—8—130—10—180
Second do	...	„ 45—3—60—4—100

the separate cadre of Accountants being automatically abolished. It is understood however that the efficiency bar at Rs. 90 cannot be passed unless an official has passed the Accountant's Examination. The effect is that the number

in the cadre of Accountants is not fixed and all that pass this Examination automatically pass the Efficiency Bar.

16. The sanctioned strength at present is :—

First Grade Clerks	... 214—	There are actually 185.
Second Grade Clerks	... 61—	Do 74.

It will be seen from the above that against the ratio of 1 : 5 recommended to be adopted between first and second grade clerks the ratio in this office has been reversed and is nearly 4 to 1. While the present Comptroller (as also his predecessors) are strongly against recruitment of non-graduates to this office by increasing the number in the second grade on the ground that S.S.L.Cs. will not be able to cope satisfactorily with the work of this department, the Public Service Commissioner and the Government seem to be of the view that an S.S.L.C. with a longer course of training should be able to manage.

A committee to be appointed to examine if number in the II grade cannot be increased by reduction in the first grade.

17. The Comptroller is very definite that the S.S.L.Cs. have been a failure, and "that the number of second grade clerks should be fixed only after varifying the amount of work of an unintelligent and mechanical nature that has to be done in this department and *not arbitrarily*." In agreeing with the Comptroller that the number of second grade clerks should be fixed only after verifying the amount of work of an unintelligent and mechanical nature and not arbitrarily, it must be observed that there are in this office many items of work such as registration of papers, despatch, compilation of accounts, checking of interest and other statements, posting of ledgers, writing of cheques, etc., that can well be attended to by an undergraduate or an S.S.L.C.—posts for which in fact graduates would be misfits. As large savings could be secured by reducing the number of posts of first grade clerks I would as suggested by the Comptroller urge the early appointment of an Expert Committee to go into the work of each Section of this office and see how many could be attended to by non-graduates and fix the proportion between these grades. I should also think large economies in the existing strength would be possible *by reducing the extent of mechanical Audit now being done*, and by simplification of work. The Committee may consist of the Efficiency Audit Officer, Financial Secretary, Comptroller and the Public Service Commissioner.

18. I do not wish to anticipate the decision of this Committee but I should think that at least 50 more places may be converted into second grade by having a larger number of second grade clerks in Sections like the Treasury,

Savings Bank, State Provident Fund, Miscellaneous Audit etc., and for work as Junior Auditors or Accountants.

Importance of training being given to the officials.

19. Personally I would rather lay more stress on the training rather than the initial qualifications of the entrants to this office and would suggest that recruits should go through at least six months' *rigorous* training involving detailed initiation into procedure and methods in this office including drafting. In the long run this would be cheaper than unnecessarily increasing the number of first grade clerks who often get sick of the routine monotony and drudgery of this office and it is a waste of public money and of good talent to turn good University men into clerks in this office. The Comptroller may each year estimate the number of vacancies likely to arise in the coming year and with the help of the Public Service Commissioner call for applications from candidates for admission to a School of Training in Government Audit and Accounts, the minimum qualification being S.S.L.C., put these candidates through an intensive training required to fit them for work in this office and employ them immediately their training is over. To secure the required number of applicants, the candidates may be assured of definite jobs at the end of the period of training and may also be given suitable stipends during the training period. In selecting the candidates for this School the prescribed communal ratio may be kept in mind. Such men should also be given preference for clerical jobs in departmental offices requiring a working knowledge of accounts.

Increase in working hours.

20. The Comptroller is agreeable to increase the daily working hours by half an hour. This is however a general question affecting all departments. If the working hours are increased it should be possible to effect a suitable reduction in the sanctioned scale.

21. A reduction of 12½ per cent under Contingencies, Travelling Allowance, etc., may also be effected.

22. On the whole, I think, a saving as under ought to be possible in this office.—

		Rs.
1.	Abolition of two posts of Assistant Comptrollers ...	10,200
2.	Abolition of eight posts of Superintendents	24,500
3.	Conversion of at least 50 more posts in II grade ...	30,000
4.	Five per cent reduction in the total strength of clerks	21,500
5.	Twelve and a half per cent reduction under Contingencies and Travelling Allowance	3,800
	Total ...	90,000

Statement showing the increases in Revenue and Expenditure and the total transactions under Debt Heads.

Rupees in lakhs.

	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44
1	2	3	4	5	6	7
Revenue	398·28	417·98	475·18	516·79	638·95	857·29
Expenditure	404·46	423·24	513·30	548·42	677·68	890·95
Debt Heads—						
Receipts	398·32	151·46	286·82	199·71	463·91	845·90
Disbursements	389·46	98·87	183·51	252·86	448·11	617·18
Establishment charges of the Comptroller's Office.	3·07	3·18	3·25	3·51	3·52	3·40

	1944-45	1945-46	1946-47	1947-48 (Revised)	1948-49 (Budget)
	8	9	10	11	12
Revenue	1001·38	992·27	1176·82	1076·82	1068·17
Expenditure	1055·05	1048·72	1236·98	1209·28	1372·59
Debt Heads—					
Receipts	765·81	533·74	1066·83	492·36	895·89
Disbursements	859·50	522·49	1057·41	548·83	917·72
Establishment charges of the Comptroller's Office.	3·69	3·72	3·95	4·50	4·47

N.B.—Prior to 1946-47 expenditure on Public Works, Audit Office also is included.

5 (ii) *Railway Audit Office.*

Need for revival of the Grade of Accountant.

A statement showing the expenditure on the Railway Audit Office and indicating also the Gross Revenues and Working Expenses of the Mysore State Railway is appended to the note on Railway Department. The Auditor, Mysore Railways, who had been requested to examine the possibilities of economies in expenditure has furnished detailed statements showing the increase in work and the corresponding increase, if any, in the establishment making out that the increase in staff has never kept pace with the increase in work. It must be stated in this connection that in the case of a department like Railways where the Audit of Revenue is most important it is necessary in the interest of Revenue that the work is always maintained at a very high standard of efficiency. I understand that the absence of the category of Accountants who were checking or supervising officers intermediary between Accounts Clerks and Superintendents has definitely weakened supervision. This matter requires examination and I would suggest an Expert Departmental Committee looking into this. Further, as economy to be secured in this department could only be by simplification in procedure and cutting down unnecessary work, etc., there is need for such an Expert Committee examining the procedure in vogue and suggesting a simplified procedure wherever possible and cutting out unnecessary returns. But there may not be much scope for this in this office as the work closely follows the work in other Railway Audit Offices.

Statistics of Expenditure.

2. A statement showing the percentage of Audit Charges to Total Revenues and to total expenditure as in 1938-39 and 1945-46 (figures noted below) in our Railways ascompared to the percentage in the M. & S. M. and S.I.R. shows however that our percentages are higher. This may presumably due to the higher track mile earnings of those Railways. Anyhow this also requires examination.

(In lakhs).

Name of Railway	1938-39					1945-46				
	Total Gross earnings	Total expenses	Audit Charges	Percentage of Audit Charges to		Total Gross earnings	Total expenses	Audit Charges	Percentage of Audit Charges to	
				Rev.	Expre.				Rev.	Expre.
1. Mysore State Railway.	72·65	51·24	1·24	1·7	2·42	183·42	117·92	1·59	0·86	1·34
2. Assam-Bengal Railway.	204·29	165·91	2·92	1·43	1·76	1560·56	1159·69	12·06	0·77	1·04
3. Bengal and North-Western Railway.	380·77	191·84	4·64	1·24	2·43	...	...	...	...	...
4. B. B. & C. I. Railway.	523·09	302·70	5·46	1·04	1·81	820·62	409·60	7·48	0·91	1·85
5. Eastern Bengal Railway.	215·60	168·22	3·46	1·6	2·06	...	...	...	...	...
6. M. & S. M. Railway.	300·22	193·02	3·93	1·3	2·04	600·62	304·23	3·94	0·66	1·34
7. Nizam State Railway.	81·89	50·56	1·46	1·78	2·89	187·65	104·23	1·88	1·00	1·82
8. South Indian Railway.	350·14	261·57	5·11	1·45	1·95	807·27	454·78	6·00	0·74	1·32
9. Jodhpur Railway.	121·10	68·22	1·98	1·63	2·89	232·63	104·49	2·36	1·01	2·16

The Auditor has got a large Temporary Establishment sanctioned for getting through various items of work. It is necessary that these are dispensed with as soon as the work for which the establishment was sanctioned ceases.

Proportion of I and II Grade Clerks.

3. The proportion of II grade to I grade clerks in this office also is high. The Committee referred to in para 1 above may also examine this with a view to see if the number in the II grade could not be increased by taking more S.S.L.C. or Intermediate people for doing the routine work in this office. Much of the work here is mechanical and it ought to be possible to recruit a larger number of II grade clerks. But it would be necessary to give them *intensive training* by having a regular course for them before they are absorbed. This matter requires examination.

(iii) *Electrical Audit Office.*

Auditor asks for increased staff.

The Auditor, Electrical Department, to whom a questionnaire had been sent regarding economics in that department, has stated that his office which was constituted in 1940 has developed in all directions due to the State-wide expansion of the activities of the Electrical Department and that in view of the consequent increase in the volume of work no retrenchments of staff would be possible and that he had, in fact, asked for an additional staff of 1 Assistant Auditor, 2 First Grade Clerks, 3 Second Grade Clerks, 1 Typist and 5 peons. A statement showing the Receipts and Working Expenses since 1939-40 is appended (*Vide* statement enclosed to the Note on Electrical Department). The receipts including telephones have increased from Rs. 77 lakhs to Rs. 125·74 lakhs in 1948-49 and the expenditure from Rs. 27·98 lakhs to Rs. 62·81 lakhs. It may be added that this department is in charge of Revenue Audit also and this is a very important item of work to be attended to. While the number of gazetted officers during this period has increased by one (sanctioned recently), the number of officials in the Audit Office has increased from 131 to 226.

Committee be appointed to fix the basic scale of Establishment and to provide for expansion.

2. In the absence of any statistics of work done, I am unable to gauge the exact extent of economies possible. The statement showing the distribution of work gives me however the impression that there does not appear to be much need for additional staff immediately and it may even be possible to economise in the existing staff, supplemented as this has been by additional staff sanctioned for the various special works taken up from time to time. There are also a number of leave reservists in every section who can attend to occasional heavy work. With a view therefore, to determine the minimum staff necessary after cutting out all unnecessary work, a small Committee may be appointed consisting of the Efficiency Audit Officer, Comptroller, Auditor and Chief Electrical Engineer, to scrutinise the work in the several branches of this department and see what economies are possible by simplification of procedure and avoidance of all unnecessary work. The Electrical Department is expanding rapidly and its Revenues are expected to be doubled in the next five years. So it will be

absolutely necessary to strengthen the Audit Sections also. It is therefore desirable that a basic scale of staff depending on the work to be done is worked out by this Commission so that additions to the staff could be made as the work expands.

Staff sanctioned for special work to be disbanded when the work ceases.

3. Pending the report of the Committee no additional staff need be sanctioned *for the present*, and wherever possible, the staff sanctioned for special works disbanded either fully or partly as the work gets completed.

Delegation of additional powers to the Superintendents.

4. In view of the higher pay and status of the 'Superintendents' recently sanctioned, some routine powers may, I think, be safely delegated to them. This will relieve the gazetted officers of their routine work to a large extent enabling them to concentrate on essential matters.

Additional Assistant Comptroller's place to be retrenched, a Superintendent being appointed in his place.

5. The Auditor states that the extra Assistant Comptroller since sanctioned is necessary for local inspections of sections. I do not think that an additional officer for this purpose is necessary and I would suggest the Auditor attending to this work with the help of a Superintendent. The additional Assistant Comptroller may be retrenched, a *Superintendent* being given in his place. The four posts of Superintendents noted below may also be abolished, the work being attended to by the existing I Grade Clerks, in the case of 1, 2 and 3 and an additional II Grade Clerk given for Mysore Power and Lighting instead of a Superintendent :—

1	Superintendent,	Code Compilation.
2	Do	Post-war Schemes.
3	Do	Frequency Conversion Scheme.
4	Do	Mysore Power and Lighting.

Conversion of posts of I Grade Clerks to II Grade.

6. The Auditor suggested conversion of 82 posts of I Grade Clerks to those of II Grade Clerks, resulting in an annual saving of Rs. 50,000 and this has been agreed to by the Comptroller. This may be given effect to.

Statement of Retrenchments.

		Rs.
1	By abolishing the post of Extra Assistant Comptroller sanctioned for Local Inspection	2,000
2	By abolishing 4 posts of Superintendents, an additional II Grade Clerk being given	11,000
3	By converting 82 posts of I Grade Clerks into II Grade	50,000
	Total ...	63,000

(iv) Education Audit Office.

The strength of the Audit staff in 1938-39 and now is noted below:— Strength of staff.

		1938-39.	1948-49.
1	Gazetted Officers ...	1	1
2	Superintendents ...	2	6
3	Clerks ...	20	55
4	Menials (including Attenders) ...	4	8
	Total ...	27	70

The statement showing the statistics of pre-audit bills and post-audit bills handled in the Financial Branch during 1938-39 and now is also noted below :—

		1938-39.	1948-49.
1	Post-audit bills ...	25,000	66,000
2	Pre-audit bills ...	11,419	21,000

The Financial Assistant to the Director of Public Instruction states that the Comptroller to Government recently inspected his office and recommended an additional establishment of two Gazetted Officers—one to be set off against the Chief Superintendent—2 Superintendents, 13 Clerks and 6 peons against which only one Superintendent and 7 Clerks have been sanctioned. In these circumstances, he says that there is absolutely no scope for the reduction of the staff in the Audit Office especially as the department is growing by leaps and bounds.

2. Regarding simplification of procedure, he says, that the nature of the audit conducted is on the lines of those adopted in the Central Audit Office. The audit in this department being of a very routine nature such as auditing of Salary and Establishment bills, Contingent grants, Grants-in-aid, etc., it is a point for consideration whether much of the post-audit work and even pre-audit work could not be relaxed. It seems to be desirable to examine this question and to see also if any further simplifications could also not be effected enabling reduction in staff. For this purpose, the Expert Committee suggested for the Comptroller's Office may also look into the work in this office. Simplification of Audit Procedure.

3. The number of I and II Division Clerks in this office is 1 : 2. Considering the very routine nature of the work, I think, it is possible to increase the number of II Division Clerks, proper training being given to them. This aspect of the question also requires examination. Reduction in the number of I Grade Clerks by corresponding increase in II Grade.

(vii) *Public Works Audit Department.*

Constitution of the department.

The constitution of an independent Audit and Accounts Branch for the Public Works Department was sanctioned in G.O. No. Fl. 1525-95—G.F. 261-44-6, dated the 27th August 1946 with a view to secure more effective and concentrated attention to the increasing volume of financial transactions of the Public Works Department, on the recommendation of a Special Committee appointed for the purpose. In this Government Order, while sanctioning the minimum staff that was considered necessary for the new branch, it was also directed that the following matters should receive attention:—

(i) Auditor to investigate the possibility of introducing the pre-audit system and submit a separate report in consultation with the Chief Engineers.

(ii) Auditor to suggest necessary changes in the rules relating to stock-accounts on the analogy of the procedure obtaining in the Electrical Department.

(iii) Auditor to investigate how far any further simplification in the accounting and audit procedure in respect of work bills of the Public Works Department was possible and submit a special report.

(iv) The Auditor to submit suitable proposals, in consultation with Chief Engineers for permanently increasing the strength of Divisional Accounts staff (which the Committee considered was necessary), after the new office had worked for some time.

A temporary staff of one Superintendent and six clerks was also sanctioned for one year to clear the heavy arrears.

Sanctioned strength.

2. The present sanctioned strength of this branch consists of—

One Auditor, three Assistant Auditors and staff as under:—

.....	Public Works Audit Office		Divisions		Total
	Permanent	Temporary	Permanent	Temporary	
Superintendents ...	4	2	2	3	11
I Grade Clerks ...	37	22	81	67	207
II do ...	17	14	1	1	33
Typists ...	2	...	...	...	2
Menials ...	15	1	...	...	16
Total ...	75	39	84	71	269

3. From the report of the Auditor now received it is gathered that the temporary staff sanctioned in the order referred to above for clearance of arrears could not be employed and the full strength of staff sanctioned for normal work could not also be had, in view of non-availability of suitable recruits. It is stated that the department has had to work short-handed, and none of the special items that were asked to be examined by the Auditor in the above mentioned Government Order could therefore be attended to. The Auditor says that in the circumstances, there is no scope for reduction in the existing establishment and on the other hand augmentation is necessary, as the work is in arrears.

Proper distribution of staff necessary.

4. On an examination of the distribution of the sanctioned staff among the several Divisions, it is seen that this is not done on a proper basis. Some of the lighter Divisions seem to have comparatively a larger number of hands than the heavier Divisions and the Central Office seems to be better manned than the Divisions. A more rational distribution would perhaps make it unnecessary to sanction any additional staff.

Difficulties in recruitment.

5. Again considerable difficulty, it is stated, is being experienced for some time past in getting the required number of recruits as most of the clerical posts are in the First Division to which only graduates are eligible and Backward Class graduates are somewhat unwilling to come to this office due to the nature of the work and also want of opportunities for *rapid rise* in this department. No Brahmin candidate can be appointed till the required number of Backward Class candidates are appointed and the result is that a large number of vacancies appear to remain unfilled. The Auditor is not in favour of reducing the minimum qualification "as S.S.L.Cs. are unsuitable for the major part of the work in the Audit Office as they do not possess sufficient command over the English language. But if Government are not prepared to change the existing rules and the Public Service Commissioner is unable to assign the required number of graduates the only course open is to employ second grade clerks and carry on the work as efficiently as possible . . " While no doubt for the higher type of work in the department graduates with good training in Accounts are necessary, there is a considerable amount of work of a routine nature in this department (as in other departments) which can as well be attended by Intermediate or S.S.L.Cs., with departmental training. As a matter of

fact, men with these lower qualifications are likely to stand the drudgery involved in the work in these offices with a greater degree of willingness than persons of higher qualifications, and they would not attempt to get out to other departments where the prospects are generally not more attractive. We have had several instances in the past of non-graduates turning out into efficient Accounts Officers. Such a measure besides enabling a reduction in the cost of establishment, may also ease the recruitment position.

Conversion of I Grade posts to II Grade.

6. There are many items of work in a Division Office that could be attended to by the II Division Clerks *vide* instances undermentioned. Therefore, where the strength of a Division in respect of Accounts Clerks is 5 or 6 it would be enough if there are 2 First Division Clerks and the rest Second Division, where the strength is less than 4 there may be one First Division Clerk and the rest Second Division. Thus the proportion of II Division Clerks in the Public Works Audit may be nearly 60 per cent. At present, except in Chitaldrug where there is one Second Division Clerk *all the rest of the Accounts officials in a Division are First Division Clerks.* A readjustment as suggested above will secure a saving of Rs. 67,000. At the same time, it is absolutely necessary that proper training is given to these clerks before they are posted. An intensive training for at least 4 months in the several branches of work is necessary and the training should include insight into the provisions of the Codes, Rules and Powers of sanction with special reference to the details of the work these have to attend to. Such a training would certainly make of these recruits very efficient Audit clerks irrespective of their academic qualifications. I am confident also that if proper trained men are given, both to the Audit Office and to the Divisions, the clerical staff could easily be reduced by at least 12½ per cent:—

1. Maintenance of Work Registers.
2. Preparation of Returns;
3. Maintenance of Account of materials at site of Works and Revenue yielding properties, etc.;
4. Cash Work.

Reduction in number of Gazetted Officers.

7. Regarding the gazetted staff, I think that the number of Assistant Auditors may be reduced by one considering that Capital works such as Jog and Lakkavalli are taken away from the purview of this Audit Office.

Reduction in number of Superintendents.

8. There are now 6 Superintendents in the Audit Office (4 permanent and 2 temporary) and 5 (2 permanent

and 3 temporary) in the Divisions. The reason for giving Superintendents to the Water Supply Division or for the Bureau of Sanitary Engineering is not clear, nor is there need for the two temporary Superintendents in the Audit Office. The temporary posts in the Audit Office may be retrenched, I Division Clerks being allowed instead. Similarly, no Superintendent need be allowed to any of the Divisions, thus leaving only 4 Superintendents in the Audit Office. Seven posts of Superintendents in all (2 permanent and 5 temporary) may be abolished and I Division Clerks given in their places. If any temporary arrangements are necessary for supervision of work in Sections of the Audit Office, the seniormost qualified I Grade Clerk may be given a charge allowance and made to look after the duties of Superintendent.

Need for committee for simplification of procedure.

9. I have suggested an Expert Committee being appointed to go through the work now being done in the Comptroller's Office and classify which are the items that could well be attended to by II Division officials and also to suggest possible simplification in procedure, avoidance of maintenance of unnecessary registers or returns. This Committee could be requested to attend to similar work in the Public Works Audit Office also.

Reductions proposed are:—

		Rs.
1.	By reclassification of appointments... ...	67,800
2.	By substituting a Chief Superintendent in place of one Assistant Auditor	1,500
3.	Converting 7 posts of Superintendents into First Grade Clerks	10,700
4.	Effecting 12½ per cent cut in the establishment	7,000
	Total ...	87,000

8. Office of the Commissioner of Refugees in Mysore.

Organisation of the Department.

In Government Order No. 3723-83—C.B. 148-47-1, dated the 15th December 1947, Government constituted "The Mysore State Refugee Relief Committee" to advise Government on matters regarding the relief and rehabilitation of refugees, to organise collections, local relief Committees and collection depots, etc. A full-time officer of the grade of Deputy Commissioner with designation of Commissioner of Refugees, was also appointed to be in charge of the arrangements in connection with the accommodation and relief of refugees (including the running of a Refugee Camp at the site of Lakkavalli Reservoir) and he was to be also *Ex-officio* Secretary to the Committee. The services of an Assistant Commissioner were made available to serve as "Special Liaison Officer for Refugee Relief Works, Lakkavalli Camp." The following ministerial and menial staff was sanctioned :—

			Rs.	
1	Head Clerk	...	80—5—90—6—150	
1	Deputy Clerk	...	60—4—80	
1	Steno-Typist	...	75—5—150	
1	Jamedar*	...		*Jamedar, Watchman and one Peon abolished in G.O. dated 24th November 1948.
1	Watchman*	...		
3	Peons*	...		
1	Cycle Orderly	...		
1	Mutchi	...		For Chairman.
1	Duffedar	...		
1	Home Orderly	...		
3	Peons	...		For Special Liaison Officer (since abolished in G.O. dated 24th November 1948).
1	Inspector of Refugees.		75—15	Temporary, salary being met out of the Refugee funds.

(To verify the refugees, that have come into the State and afford them facilities to get their rations, jobs, accommodation in Choultries, etc.)

Present sanctioned strength.

2. As the Refugee Camp at Lakkavalli did not materialise, there was practically no work for the full-time Assistant Commissioner posted as Special Liaison Officer for that Camp, and this post was subsequently abolished. The post of Commissioner also has since been abolished, and a further retrenchment of 1 Jamedar, 1 Watchman and 1 Peon effected in the menial establishment. Recently however a peon has been sanctioned for the Joint Secretary. So, the present sanctioned strength of establishment of the Office stands as under :—

1 Head Clerk. 1 Deputy Clerk. 1 Steno-Typist.

1	Inspector (paid out of the Refugee Fund).	
1	Mutchi ...	For Office
1	Cycle Orderly ...	
2	Peons ...	
1	Duffedar ...	For Chairman
1	Home Orderly ...	
1	Orderly ...	For Joint Secretary.

The office is at present in charge of the Joint Secretary who attends to this work in addition to her duties as Organising Secretary, Red Cross

Nature of work done.

3. As regards the nature and extent of work done in this Office, it is gathered that during the calendar year 1948, the number of communications received and despatched were about 1,300 and 2,850, respectively. But dealing with correspondence does not appear to form the most important item of work in this office. The main items of work are (1) Registration of refugees as they come from time to time, ascertaining all necessary particulars relating to them and making arrangements for their accommodation, rations, etc., (2) Registration of claims by them in respect of properties left or lost in Pakistan, (3) Grant of relief—in cash and in shape of clothes, (4) Rendering accounts of money received and expended on behalf of refugees and sending returns required by Government of India, (5) Investigating and reporting regarding schemes of rehabilitation (in co-ordination with instructions received from the Government of India) regarding grant of loans, housing, etc., and (6) Arrangements relating to the meetings of the Central Committee and Sub-Committees, maintenance of proceedings of these Committees and taking further action thereon.

Work has since gone down.

4. The work in the office was heavy when the evacuees from Hyderabad (whose number had gone up to over 6,000) had to be attended to. All these, however, returned to Hyderabad by the beginning of October, and there are now only the refugees from Pakistan to be attended to. The majority of these have been here for some time now and it is the permanent rehabilitation of only a few of these that has to be attended to. The total number of Pakistan refugees at present is about 6,700, but quite a good number appear to have settled down already.

The work may be transferred to the Registrar of Co-operative Societies, the staff being reduced.

5. As regards the continuance of this organisation and the minimum staff needed therefor, I think that as the rehabilitation measures relate mostly to starting of Co-operative Societies, granting of loans, building of houses, etc., in respect of which, assistance from the

Government of India is also expected, the entire work may appropriately be attended to by the Registrar of Co-operative Societies as it is that department that has to attend to these, the Registrar of Co-operative Societies being appointed as *Ex-officio* Commissioner of Refugees and a skeleton staff as under of officials familiar with the work being given to him.

Ministerial—
1 Head Clerk.
1 Inspector (paid out of the Refugee Fund).
Menial Staff—
1 Mutchi.
1 Peon.

There is no need to continue the Deputy Clerk or the Steno-Typist as the typing work can be attended to by the staff of the Registrar of Co-operative Societies. The Inspector who will not have full time work may well be expected to attend to a portion of the work in the office also.

Present committee may be continued on an advisory basis.

6. I think it is desirable that the existing Central Committee with its Sub-Committees should continue on an advisory basis. They have done very good work and their advice in all measures for the rehabilitation of refugees would be very helpful.

7. The present Joint Secretary may also, I think, continue as Joint Secretary as her services would be very useful to the Committee since she has been associated with this organisation ever since its formation.

Retrenchments proposed are as under :—

		Rs.
1	Provision in the Budget for 1948-49 ...	29,000
	Deduct amount required for the establishment proposed Approximately	6,000
	Savings ...	23,000

———

13. Muzrai Institutions.

The progress in expenditure under this head since 1938-39 is noted below:— Statistics of Expenditure.

In lakhs of Rupees.

Year	Superintendence	Endowment and Charitable Allowances	Construction and Repairs	Sanskrit Colleges and Patasalas	Dearness Allowance	Total
1938—39 ...	·09	3·22	·12	·08		3·51
1939—40 ...	·08	3·22	·26	·08	...	3·64
1940—41 ...	·08	3·24	·12	·09	...	3·52
1941—42 ...	·08	3·24	·12	·09	...	3·53
1942—43 ...	·08	3·26	·12	·09	...	3·55
1943—44 ...	08	3·24	·12	·18	...	3·62
1944—45 ...	·08	3·29	·09	·19	...	3·65
1945—46 ...	·07	3·19	·12	·22	...	3·51
1946—47 ...	·10	3·60	·63	·23	...	4·56
Rovised—						
1947—48 ...	·11	3·29	·21	·29	...	3·90
Budget—						
1948—49 ...	·11	3·23	2·75*	·30	·14	6·58

* Includes a provision of Rupees two lakhs for renovation of Temples and Rs. 63,000 for construction or repairs of Muzrai Institutions.

2. It is seen that the abnormal increase in the current year is due mainly to a special provision of Rs. 2 lakhs for Renovation of Temples. This is an optional item of expenditure, and one which can be varied with reference to availability of funds.

3. The following are the charges incurred on account of Establishment.— Separate Manager and Head Clerk not necessary.

	1938-39	*1948-49*
	Rs.	Rs.
(i) Superintendent ...	6,384	8,992
(ii) Maharaja's Sanskrit College (Agama Section). ...	...	7,944
(iii) Sri Chamarajendra Veda Patasala	6,348	11,908
(iv) Sanskrit College, Melkote ...	...	1,974
Total ...	12,732	30,818*

*Includes Rs. 6,500 for revision of scales.

The increase in cost is mainly on account of recent revision of scales.

(i) The staff in the Head Office consists of:—

Half the cost is debited to Muzrai Establishment Fund, and half to State Funds.

- 1 Manager
- 1 Head Clerk
- 3 I Division Clerks
- 6 II Division Clerks
- 2 Typists
- 1 Surveyor

} 2 Muzrai Auditors. +3 Mutt Clerks and 1 Peon.

- 3 Agama Pandits ... Met entirely from Muzrai Fund.
- 1 Mutchi
- 1 Attender
- 1 Duffedar
- 3 Peons

No separate Head Clerk appears necessary as there is a Manager for this Office. The post of Head Clerk may therefore be retrenched. I would also suggest that the question of treating this office as a section of the Revenue Commissioner's Office, instead of as an independent unit may also be examined. The number of Superintendents in the Revenue Commissioner's Office appears to have been raised from 2 to 3 very recently, and the Muzrai Section may be placed under the charge of one of these Superintendents. If this is done, a separate Manager for this Section will not be necessary.

Two II Division Clerks may be reduced.

4. The Muzrai Commissioner has made a reference to Government requesting that two more II Division Clerks might be given to attend to record-sorting, and registering. Statistics of work in this office were accordingly collected, at my instance, by an Auditor of the Efficiency Audit Department. He has pointed out that two clerks in the office are now engaged on Ledger-posting work, and that this is not correctly done and no verification of accounts is being done in this office. The same work is also being done in the Comptroller's Office. The Muzrai Commissioner agrees that this work may be discontinued in his office. The two II Division clerks now engaged on this work may therefore be retrenched. The Muzrai Commissioner however wants to utilise the released hands for Receipts and Despatch Sections, as there are at present no separate clerks for these items of work. But I feel there is absolutely no necessity to give any additional hands for attending to this work which is being attended to all along by the existing staff. Regarding an additional hand for record-sorting, it is not clear why this work was allowed to accumulate and why the existing officials who are responsible for accumulation of arrears may not be asked to attend to it. In the result, while there is no need to give the extra hands asked for by the Muzrai Commissioner, two II Division Clerks now engaged on Ledger-posting may be retrenched.

The post of Surveyor may be abolished.

5. There is a post of Surveyor attached to this office. It is very doubtful if there is full-time work for this official. The need for such an official is also not clear as Muzrai works are attended to by the P.W.D. This post may therefore be abolished.

Reduction in Menial Staff.

6. There is also no justification for a separate *Daffedar* for this office. The Revenue Commissioner is the head of the office and he has got a Jamedar and a Daffedar. A second Duffedar for the Muzrai Commis-

sioner's office is not necessary. This post as well as that of one peon may be retrenched.

7. There has in recent years been a decrease in the student strength of the Agama Section of the Maharaja's Sanskrit College at Mysore and in the Sri Chamarajendra Veda Mahapatasala at Bangalore and the Sanskrit College at Melkote as seen from the figures noted below :—

	Year	*No. of Students*
Maharaja's Sanskrit College Agama Section ...	1938-39	50
Do ...	1947-48	27
Sri Chamarajendra Veda Maha-patasala ...	1938-39	136
Do ...	1947-48	64
Sanskrit College at Melkote ...	1938-39	59
Do ...	1947-48	55

The Budget shows that scholarships of the value of Rs. 1,974 is given to the Sanskrit College at Melkote. There seems to be scope for effecting economies in the administration of these institutions by a suitable co-ordination of the work therein and concentration of studies in particular subjects in some one or other of the institutions so that the number of classes and of teachers can be reduced, if possible, without causing inconvenience. These are, however, institutions of a special type and I do not feel competent to make any definite suggestions in the matter. The question may be examined separately.

Reduction in Lumpsum grant for repairs.

8. A lumpsum grant of Rs. 12,000 per annum was being made for "Construction and Repairs" for a number of years from 1932-33. The expenditure under this head increased to Rs. 63,392 in 1946-47 mainly due to additional grants sanctioned for renovation of temples at Ramanathpur in Arkalgud Taluk. A provision of Rs. 2·75 lakhs is made in the Budget estimates for 1948-49 under this head, out of which Rs. 2 lakhs is for renovation of Muzrai Institutions. I beg to suggest that while sanctioning grants to the individual institutions, we may ordinarily insist on at least half the amount of the estimated cost of repairs or renovation being contributed by the devotees or the Funds of the Institution, or by both.

Economies suggested are as under:—

		Rs.
By abolishing the posts of—		
1.	Manager	1,712
2.	Head Clerk	1,560
3.	Two II Division Clerks	1,512
4.	One Surveyor	960
5.	Duffedar and One Peon	756
		6,500
	Reduction in grant for renovation of Temples	1,75,000
	Total ...	1,81,500

X AND 14. SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS.

(i) *Geological Department.*

Statistics of Expenditure.

The receipts and expenditure of this department since 1938-39 are noted below :—

In lakhs of Rupees.

	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
Receipts ...	·16	·23	·02	·45	·21	·03	·11	·08	·07	·05	·05
Expenditure.—											
Salaries ...	·38	·38	·42	·37	·31	·32	·32	·32	·31	·29	·28
Establishment	·36	·34	·22	·22	·31	·18	·18	·14	·13	·11	·12
Travelling Allowance.	·10	·08	·08	·09	·06	·06	·04	·05	·06	·04	·03
Contingencies and Other Charges.	·32	·58	·56	·13	·41	·10	·10	·15	·10	·09	·14
Total ...	1·16	1·38	1·28	·81	·96	·66	·64	·66	·60	·58	·57

2. The increase in expenditure during the last few years is mainly due to the reorganisation of the department sanctioned in 1944 (constituting Divisional Units) resulting in an increase in the number of Gazetted Officers and other staff. It is also partly due to the general revision in the scales of pay of non-gazetted officers that was sanctioned recently. As the Director of Geology was repeatedly requesting Government for additional staff and the file had also been referred to me unofficially, the necessary statistics of work were obtained and I had also a personal discussion with the Director in the matter.

No additional staff necessary ; work may be redistributed among the existing staff.

3. From the statistics furnished, it is seen that the total number of disposals during 1947-48 in the Director's Office was only 5,500 which works out to about 450 a month, or less than 20 letters a day. From the statement of receipts and disposals of individual case-workers, it was also seen that except one case-worker who received a total number of 1,061 papers (all sorts of miscellaneous papers included) the other received 600–700 per annum, one of them receiving only 260 papers for the whole year. Considering that each clerk is expected to deal with at least 10 fresh receipts per day, an official would have to deal with at least 2,500 papers per annum and on this basis it would be seen that the existing staff itself is capable of reduction and no case is therefore made out for additional staff. The Director stated that the typing work in his office was very heavy as a number of technical

reports, bulletins, etc., have to be typed. He also stated that he was very badly in need of a Steno-typist and there was need for a full-time clerk for the Museum. It was therefore suggested that as the existing staff did not have full-time work as no case was made out for extra staff and one of the existing posts in the First Division may be converted into that of a Steno-typist and another post converted into that of a clerk for the Museum and Records, the work being suitably re-distributed amongst the other clerks.

Reduction in Clerical staff in the Districts.

4. With regard to the District staff, the Government Order No. D. 166-237—Geol. 82-42-10, dated the 5th October 1944, created three Divisions with a staff of two clerks for each Division. The receipts and issues in these offices were as under:—

	Receipts		*Issues*	
	1946-47	1947-48	1946-47	1947-48
Bangalore ...	1,148	745	973	798
Mysore ...	410	543	428	627
Shimoga ...	542	587	456	524

The work therefore was inadequate even for one clerk and really the case was one for reducing the staff in these Divisions by one. Therefore instead of one I Division clerk and one II Division clerk, a typist-clerk may be given to each of these offices and if necessary a literate Attender.

Retrenchment in Gazetted staff.

5. The need for separate Divisional Offices with separate executive and clerical establishment was not also very clear and the Director promised to re-examine this position. In the meanwhile, in order to provide additional technical staff at Headquarters and also for effecting economies in the Head Office, the Director was agreeable to the shifting of the headquarters of the Bangalore Division, which is now in Tumkur, to Bangalore and to that office being located in the Office of the Director of Geology, so that the technical staff of the Division may be available to him also. The Head Office at present has the following Technical staff:—

1. One Geologist working as Technical Assistant to the Director.
2. Geophysicist (of the grade of a Geologist).
3. Two Chemists.
4. One Assistant Geologist.
5. One Assistant Geophysicist.
6. One Assistant Chemist.

The Head Office appears to be overstaffed and by shifting the Headquarters of the Bangalore Division from Tumkur to Bangalore some economies ought to be possible. The following economies are therefore suggested.

6. As the Director would have the technical aid of two Geologists, *viz.*, the Geologist in charge of Bangalore Division and the Geophysicist, there would be no need for a senior officer as the Director's Technical Assistant. This post may be abolished and one of the Assistant Geologists attached to Bangalore Division made *Ex-officio* Technical Assistant. As the Bangalore Division could look after the quarries, etc., round about Bangalore the temporary post of Assistant Geologist may also be abolished. Regarding the ministerial staff for such a small office with a separate Technical Assistant for the office the need for a Manager would also not arise. The post of Manager may therefore be abolished and a Second Division Clerk given instead. The seniormost clerk may be treated as Head Clerk and his grade suitably revised.

A sum of Rs. 5,000 has been provided for working Byrapur Chrome Mines. The Director however says that the Mines are not being intensively worked and that good quality chromite is reserved for future exploitation. He expects that an annual sum of Rs. 10 to 15 thousand by sale of about 500 tons required for the Mysore Iron Works and that mostly "float ore" is being collected for this purpose. The receipts under the Chrome Mines may be increased by Rs. 5,000. When the Mines are properly worked out, the receipts from this source would be much more. Under mineral survey and prospects out of Rs. 20,000, Rs. 10,000 is for Ingaldhal and Rs. 10,000 for general prospects. If necessary, a sum of Rs. 5,000 under this head may be reduced. The question of getting sulphur from the Mines at Ingaldhal deserves examination. The Director of Geology has suggested the following measures for increasing the revenues:—

(*a*) Enhancement of the fees prescribed for giving duplicate copies of Certificates of Approval;

(*b*) Enhancement of the application fees prescribed for Prospecting Licence, Collecting Licence, Exploring Licence, etc.

(*c*) Levy of a fee of Rs. 10 for the renewal of Prospecting Licence and Collecting Licence and Rs. 5 for the renewal of Quarrying Licence.

(*d*) Enhancement of the existing rates of the royalties on minerals won and exported.

(*e*) Levy of a fee on the permits issued for the export of chrome and mica and for the renewal of these permits.

(*f*) Levy of minimum guaranteed royalty on Prospecting Licence and Collecting Licence issued.

He has not, however, indicated to what extent the rates of fees may be enhanced. He has been requested to send definite proposals in the matter along with a rough estimate of the additional revenue that may be expected. An additional sum of Rs. 10,000 may be anticipated.

8. The savings that could be effected if the above proposals are approved would be as under:—

		Per annum about Rs.
1.	Replacing one Clerk by an Attender in each of the 3 Divisional Offices ...	720
2.	Retrenchment of one post of Geologist ...	2,400
3.	Reducing a place of Assistant Geologist (Temporary)	900
4.	Abolishing post of Manager and allowing a Second Division Clerk instead ...	1,000
	Total ...	5,020
	Savings in D.A. ...	980
	Grand Total	6,000

(ii) Meteorological Department.

As compared to 1938-39 there has been no change in the number of officers. There has been an increase of 3 Junior Observers in the staff, 2 due to arrangements for additional Pilot Balloon Observations at 0300 hours Indian Standard Time and 1 to act as leave reserve. The increase in cost under establishment is mainly due to revision of pay and grant of dearness allowance.

2. In view of the increasing importance of Meteorological observations for Air-travel and the prominent place which Bangalore occupies in regard to this matter, the explanation offered by the Meteorologist, for the necessity of continuing the existing staff may be accepted.

3. The Meteorologist proposes that the post of Thoti which was a part-time post on Rs. 2 per mensem for a number of years, and which had been made full-time recently, may be retrenched. This may be agreed to. The allotment under contingencies and other charges may be reduced to Rs. 2,000 (From Rs. 2,500 at present allowed).

(iii) Museum.

No economies are possible in this department. If anything, the grants may have to be increased.

(*iv*) *Examinations.*

No economies are possible in this Department.

(*v*) *Archæological Department.*

Economies in staff.

Prior to 1944, when a full-time Director was appointed for the charge of this department the post of Director was for several years held *ex-officio* by the Professor of History in the University. This post has been again vacant for some considerable time and the Assistant Director is acting as Director. It is no doubt true that this department had once a more highly paid establishment and that the work done by it is of great cultural importance. In view however of the urgent need for economy just at present, it is suggested that the full-time post of Director need not be filled up and the present arrangement may continue, the designation of the Officer now acting as Director being changed to "Archæologist" on a grade pay of Rs. 250—10/2—450 or Rs. 300—40/2—500, a Committee of Experts, with the Vice-Chancellor as Chairman being appointed to guide the working of the department. Regarding menial staff, out of the existing strength of 1 Duffedar, 7 peons and 1 Watchman, the following scales of servants may be allowed and two posts of peons may be retrenched:—

Archæologist	...	1 Duffedar and 2 Peons.
2 Assistants	...	2 Peons (if they are touring Officers).
Office ...	...	1 Peon and 1 Watchman.

If this proposal is accepted there will be a savings of about Rs. 4,700 per annum as under:—

		Rs.
1.	By abolishing the post of Director and having an Archæologist on lower scale of pay about ...	3,000
2.	Under Travelling Allowance about ...	1,000
3.	By retrenching two Peons	700
	Total ...	4,700

Measures for augmenting Revenue.

2. The Acting Director has suggested certain measures for increasing the revenues of his department. Out of these, the following three items may be accepted and action taken to give effect to them early. These publications would, in addition to their propaganda and publicity value and profits by their sales, bring in also a lot of

Tourist Traffic which would be an asset to the State in various ways:—

(i) Publication of descriptive booklets on some of the existing monuments which have attained world-wide fame;

(ii) Printing of Picture cards of various sizes and of photographs of famous sculptures and temples in the State, for which there is stated to be a wide demand.

The development of Tourists Traffic as a means of getting Foreign Exchange is engaging the attention of the Government of India. Mysore is noted for its beauty spots and we should try our best to develop Tourists Traffic in all ways. The Railway Department and the Archæological Department with the help of the Trade Commissioner, the Publicity Department should take up this work in earnest. Incidentally, the Government of India may also be requested to print some of these views on their stamps so as to give wide publicity to these, a small number being given to us for sale to philatelists and for Revenue purposes.

(iii) Preparation and publication of Guides of places of historical interest.

———

XII AND 16. STATIONERY AND PRINTING.

The expenditure under the several sub-heads since 1938-39 is noted below :— Statistics of expenditure.

In lakhs of rupees.

Sub-heads	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
1 Stationery Depot.	1·36	1·43	2·56	3·02	2·75	1·86	5·57	3·66	4·35	5·15	5·67
2 Printing and Gazette Office.	1·03	1·98	1·45	1·24	1·23	1·62	1·82	2·19	2·14	3·17	4·72
3 Government Book Depot.	0·26	—0·15	0·24	0·45	0·19	—0·20	—0 02	—0 20	—1·15	0·14	—0·12
Total charges.	2·65	3·26	4·25	4·71	4·17	3·28	7·37	5·64	5·34	8·46	11·54

It will be seen therefrom that the expenditure has risen from Rs. 3·5 lakhs in 1938-39 to Rs. 11·54 lakhs now.

Stationery Depot.

There has been a large increase under this head mainly due to increased provision under cost of printing paper and stationery which has risen from Rs. 2·07 lakhs in 1938-39 to Rs. 7 lakhs in the current year's Budget. (The cost of printing paper and stationery was lowest in 1933-34 when it was only Rs. 1·17 lakhs). This increase is due to increases both in the cost and in the consumption of paper due to creation of more departments, etc. A major portion of the paper purchased is, it is understood, utilised by the Printing Press itself, large quantity being consumed for printing of Text-Books. The Director also states that at present there is unnecessary wastage of paper due to heavier weight paper being used for many items for which lighter and cheaper paper could be used since the Paper Mills which are the *sole suppliers* say it is not possible to supply such paper. So on account of the Mills' inability to supply light weight paper unnecessarily costlier paper is being used. The Director says that as newsprint is cheaper it could be utilised for printing the gazette and other non-permanent printing and he has taken up this question with Government. This matter has to be pursued. Economies possible by using cheaper kind of paper.

3. Much of the papers now consumed is stated to be utilised for printing of Text-Books. The sale price for books is not however being fixed on a commercial basis. Receipts from Paying departments under-estimated.

In view of the large expenditure involved on this and as the entire expenditure is intended to be recouped by the sale of books it is necessary that the transactions relating to the printing of Text-Books by the Press and its sale by the Book Depot should be treated on a commercial basis and preferably shown under "3—Book Depot". The purchase of paper on this account should not also be mixed up with the purchases for use by Government departments. The allotments should be kept separate and made under Government Book Depot. Handling charges which may be 10 to 15 per cent may be levied for the work connected with the purchase and issue of paper for printing Text-Books. The price of paper is now very high. It is anticipated that the prices will fall down and when that comes about a reduction of about 2 lakhs may be anticipated. By using cheaper paper a saving of another Rs. 10,000 may be anticipated. Again the receipts now shown under receipts from Paying Department appears to be under-estimated. This should really be higher and at least another Rs. 1,00,000 could be expected.

Economies in expenditure on carting.

4. Regarding carting, the Director agreed that lorries of the Military Department could be used for carrying heavy loads instead of getting carts at increased cost. The Director said that the cart hire at Mysore was even more than at Bangalore and he would examine if the Military Transport could assist him for carting at Mysore.

5. Regarding supply of stationery to Government departments the Director said that he had no objection to rate contracts being fixed and heads of departments and other officers being authorised to purchase stationery but he felt that the control now being exercised by him in limiting the stationery to minimum requirements would then disappear. There seems to be considerable force in his argument and considering that the entire cost of stationery including paper supplied to departments including those in Bangalore is only Rs. 93,992, the present arrangements may continue as any change may be for the worse.

6. Regarding the staff, the Director says that the establishment noted below which is on a temporary basis may be made permanent :—

Three Accountants.
Two Clerks.
Four Packers.

The following table gives the statistics of transactions :—

	Rupees in lakhs.
1939-40	2·30
1941-42	4·01
1944-45	6·97
1947-48	4·67

Considering that the value of articles has more than doubled, the articles dealt with are apparently less than in the year 1939-40. The business statistics also shows a tendency to decrease. In view however of the large number of articles handled and the difficulty which continues in procuring them the temporary establishment may be continued for another year *on a reduced scale* and the position reviewed afterwards.

Economies in use of Stationery, Forms and Registers.

7. Regarding economies in the use of paper, there has been considerable economy in stationery during recent years. But further economies appear possible especially in big offices like the Secretariat. The use of letter paper and stationery bearing the red seal of Government may be restricted only to correspondence with the Government of India or other Governments. Similarly, the stationery rules regarding use of envelopes, etc., should be rigidly followed. The savings on this account may not be much, but still that is no reason for allowing unnecessary waste.

8. It is common knowledge that there is a lot of misuse of printed forms and registers. It is not unusual for printed forms and registers being used for purposes entirely different from that for which they were intended. The Director is expected to inspect offices with a view to prevent waste in these matters but more economy could be secured if the departmental inspecting officers see to these during inspections and scrutinise the indents for forms and stationery with reference to actual requirements.

9. The expenditure on Contingencies may be reduced to Rs. 2,000.

Government Press, Bangalore.

Statistics of staff and work done.

The following statement gives the strength both temporary and permanent in the ministerial and office establishment in the Press in 1938-39 and now:—

Year	Ministerial		Works Establishment		Piece Work	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
1938–39 ...	149	...	156	1	91	15
1948–49 ...	159	21	163	75	90	80*

(*Ten in the Branch Press).

2. The work has increased considerably during the same period as seen from the statistics in the Bangalore Press (Statement 'A' enclosed).

3. The increase in the temporary staff is stated to be mainly on account of establishment for 'Text-Book' printing, 71 hands out of 116 being engaged on this work. This staff has since been made permanent.

Distribution of staff. No outturn fixed; staff in proof Branch excess.

4. The distribution of the staff in the several branches is noted in the accompanying statement 'B'. No outturn has been fixed (except in the Proof Branch) and in the absence of this, it has not been possible for me to examine if the staff is surplus in any of the branches. I understand that a Costing Branch has recently been sanctioned, but this, it is understood, has not commenced working yet. In the Proof Branch where there is an outturn fixed, the Director himself states that due to difficulties of recruitment it has not been possible to get the prescribed outturn and there are more people employed there than is necessary.

In the absence of work load it is difficult to fix the strength in each section.

5. I am afraid the same may be true of other branches also and we may find that the establishment in most of these would be surplus if outturn or work loads are fixed and the number of persons in each branch limited to that required to get through the work on this basis.

6. In the Machine Branch, the Director states that the work establishment consists of—

(*a*) Compositors on fixed pay;

(*b*) Machine Minders and Assistant Machine Minders;

(*c*) Binders and Assistant Binders;

(*d*) Piece-work Composing Establishment.

It is understood that categories (*a*) and (*b*) were working on piece-work system prior to 1930 and that they had been since converted to the fixed pay system. But no work load has been fixed here also though this was necessary in the interests of efficiency. *Unless proper work loads are fixed, efficiency cannot be secured.* It is, therefore, necessary that work loads are fixed immediately.

7. In the Binding Section also, no turn-over is fixed and in the absence of this, it is not possible to offer any opinion regarding the adequacy of the existing establishment.

Basic turn-over may be fixed and bonus for extra work given.

8. The Government appear to have recently directed that proposals for the introduction of a bonus system of payment uniformly in the Composing, Machine and Binding Branches may be put up along with work loads for each category of employees. If when these proposals are considered a basic turn-over is fixed and bonus given for extra work then there will be a proper incentive for people to turn out more work and there would be more efficiency.

The press may be worked in two shifts.

9. The Press is now working only one shift. In view of the increased work and also in order to be able to get better turn-over it seems to me necessary to have at least the double shift system. The Director says that the chief difficulty in introducing a double shift is want of labour. He also complained regarding the quality of the staff and he says that economies will be possible only with better staff and labour. An intensive training of three months, he says, would be necessary for the training of labour.

10. A training class may therefore be started with suitable stipends and a guarantee of appointment. If an adequate number of persons are trained the difficulty felt both in the Government Press and in the small private presses would also get reduced. There is already a course in the Occupational Institute and how this is to be co-ordinated with the course proposed to be given in the Press would have to be considered.

The Mysore Gazette.

11. The Receipts and Expenditure on account of the *Mysore Gazette* is noted below :—

In lakhs of rupees.

Minor Heads	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
Receipts ...	·15	·11	·09	·09	·09	·29	·16	·39	·32	·32	.82
Expenditure.	2·03	2·77	2·65	2·29	2·13	2·26	2 46	2·99	2·89	4·67	5·52
Deduct Receipts from paying departments.	1·00	·79	1·20	1·05	·90	·64	·64	·79	·75	1·50	·80
Net figures ...	1·03	1·98	1·45	1·21	1·23	1·62	1·82	2·20	2·14	3·17	4·72

Economies in Expenditure.

12. The expenditure has increased enormously while the receipts have actually gone down. The question of using cheaper paper for the Gazette is under consideration. The cost will get reduced by about Rs. 10,000 if cheaper paper could be utilised.

For improving receipts subscription rates may be raised.

13. Regarding increasing receipts the Director states that it does not appear to be of much use in raising the rates of subscription as they were raised recently. We may however re-examine this position.

Advertisement rates may be increased.

14. The rates for the advertisements in the Gazette may be increased. These were fixed some time ago and increases seem justifiable. An additional receipt of Rs. 5,000 may be expected from this.

Text-Book Printing. Desirability of locating a Branch Press at Arsikere for this purpose.

15. With the large increase in the number of schools and school-going children, Text-Book printing has become one of the biggest items of work in the Press and this work is bound to increase with the increase in number of schools. It is a matter therefore for consideration whether instead of getting all this Text-Book printing work done in the Bangalore Central Press, it would not be desirable to have a Branch Press located at a mofussil but centrally situated place like say Arsikere where in addition to Text-Book printing the printing of all other matter giving continuous work, may be transferred. As labour and accommodation in those areas are cheaper such a transfer would while giving relief to the Central Press would result in considerable economy reducing partly the problems of labour in the Central Press and at the same time we would have transferred an important section of the Printing industry to the mofussil. Arsikere is also nearer Bhadravati from where all paper could also

be effected. The Mysore Press may also be suitably expanded, the work being done at smaller cost.

Purchase of machinery and types.

16. The provision under this head for the last few years is as under:—

Year	Machinery	Materials and Types	Total
	Rs.	Rs.	Rs.
1941—42	6,595	33,937	40,532
1943—44	1,307	29,997	31,304
1945—46	38,708	21,824	60,532
1946—47	21,427	25,740	47,167
1947—48	91,731	32,629	1,24,360
1948—49	1,50,000	30,000	1,50,000

The expenditure under purchase of machinery is thus increasing. The Director says that a sum of Rs. 6 lakhs may be necessary for further purchases in the next two to three years. A statement of capital equipment now available and *how much of it is being used* and what additions are necessary has got to be prepared and scrutinised and further grants limited to minimum requirements.

Residency Press may be amalgamated with Government Press and reduction in staff effected.

17. The Residency Press has the following establishment:—

Manager	1	Foreman	1
Compositors	14	Assistant Foreman	1
Pressmen	4	Clerk and Store-keeper	1
Binders	3	Computor	1
Reader	1	Copy-holder	1
Peon	1	Impositors	2
		Inkers.	2

It seems to be unnecessary to keep this Press going as a separate institution. This may be merged in the Government Press and the post of Manager who has since retired may be retrenched.

Ministerial Establishment.

18. On a rough examination of the establishments in the Government Central Press at Bangalore, the following reductions may be made by a suitable re-distribution of work:—

Office Branch—

One I Division Clerk and
Two II Division Clerks,

Forms Branch—

One II Division Clerk.

Despatching Branch—

One II Division Clerk.

Machine Branch—

One II Division Clerk.

Hours of work

19. The hours of work for the clerical staff may be altered so as to correspond with the working hours of the Press. This will make more 'Clerk-hours' available and the reduction in staff could then be easily effected.

The effect of the above proposals will be as under.

	Savings or reduction in expenditure.	*Additional receipts anticipated.*
	Rs.	Rs.
I. Stationery Depot—		
(*a*) Due to the expected fall in the price of paper ...	2,00,000	...
(*b*) By the use of cheaper paper ...	10,000	...
(*c*) Increase in the receipts from the Paying Departments ...	...	1,00,000
II. Mysore Gazette—		
(*d*) Increase in the rates of advertisement charges in the Gazette ...	...	5,000
III. Government Press—		
(*e*) Reduction of II Division and I Division Clerks as per note.	5,000	...
Total ...	2,15,000	1,05,000

Statement showing the outturn of work in the Government Press, Bangalore, for the year 1938-39 and 1946-47 (Certain important items) (*in thousands*).

Year	Number of books bound	Number of pages composed		Number of impressions printed	Number of ruling impressions	Numbering impressions	Number of perforations	Over-time units of one hour
		In various sizes	In Foolscap sizes					
1938—39 ...	8·25	·60	·74	242·21*	24·85	23·05	14·11	24,151
1946—47 ...	21·20	·75	·67	424·13*	63·33	30·65	23·62	74,185

*Note.—The Director states that there has been some difficulty in fixing the standard page and that even under this head there is real increase.

The following statement gives the strength of establishment as on 1st September 1948 in the Government Central Press, Bangalore.

Sl. No.	Name of Branch	Permanent	Temporary	Total
		No. of hands allotted	No. of hands	
	I. MINISTERIAL			
1	Office Branch	20	4	24
2	Forms ,, ...	6	7	13
3	Gazette ,, ...	4	...	4
4	Computing ,, ...	12	...	12
5	Menial ,, ...	22	...	22
6	Proof ,, ...	31	10	41
7	Despatching ,, ...	12	...	12
8	Composing ,, ...	9	...	9
9	Printing ,, ...	12	...	12
10	Binding ,, ...	7	...	7
11	Litho ,, ...	4	...	4
12	Photo-zinco ,, ...	2	...	2
13	Type Casting	13	...	13
14	Miscellaneous	5	...	5
	Total ...	169	21	180
	II. WORK ESTABLISHMENT.			
15	Composing Branch ...	27	8	35
16	Machine ,, ...	53	29	82
17	Binding ,, ...	83	30	113
18	Despatching ,, ...	...	5	5
19	Proof ,, ...	...	3	3
	Total ...	163	75	238
	III. PIECE WORK ESTABLISHMENT			
1	Composing Branch ...	90	50*	140
	Grand Total ...	412	146	558

*Includes 20 pie boys.

17—Miscellaneous.

(1) *Miscellaneous Establishments.*

It appears to me to be unnecessary to show these petty establishments under Special sub-heads under 17—Miscellaneous. Provision for the Watchman of Palace Ponds, etc., in the Shimoga District, Devganga Pond at Nagar and the Watchman for Sri Venkataramanaswamy Temple at Bangalore may be made under 13—Muzrai

The Mali of the New Cemetry at Mysore, may be provided for under "24—Civil Works."

The Watchman to Obelisk Monument at Seringapatam may be provided for either under Archæological Department or under Civil Works.

The establishment for Guests Quarters at Kolar Gold Field may be transferred to 12—General Administration.

The provision of Rs. 1,320 for Civil Station Establishment is understood to be a repetition and may be deleted.

The whole sub-head may thus be deleted.

2-A—*Broadcasting Station.*

Statistics of staff.

The 'Akash Vani' or the Broadcasting Station for the Mysore State was taken over by Government in 1943 and has been expanding since then although the pace has been held up for several reasons, the most important of which has perhaps been the difficulty in obtaining materials and equipment. The Director states that "the Broadcasting Station is working with the skeleton staff and that proposals are before Government for increasing the strength of the staff as well as re-organising the station". In the meanwhile newspapers report that there is a proposal to take over this Station to Government of India.

(1) Director (Part-time);	...
(2) Assistant Director;	1
(3) Programme Assistants;	10
(4) Assistant Radio Engineer;	1
(5) Operators;	7
(6) Workshop Assistant;	1
(7) Store-keeper ;	1
(8) Chief Clerk ;	1
(9) Clerks ;	3
(10) Steno-Typist.	1
(11) Menials.	22
(12) Auto-drivers;	2
(13) Cleaners;	2
(14) Carpenter	1

2. As this is an expanding department there is not much scope for economy. At the same time, however, it is necessary that no unnecessary expenditure is incurred. The programme of expenditure has increased from Rs. 36,552 to Rs. 75,000. Part of this is presumably due to Dearness allowance paid to contract staff. The expenditure on this department since its inception is noted below :— Details of receipts and expenditure.

	Expenditure		*Expenditure*
	Rs. in lakhs.		*Rs. in lakhs.*
1940—41 ...	·01	1945—46 ...	·83
1941—42 ...	·55	1946—47 ...	1·26
1942—43 ...	·47	1947—48(Revd.)	1·20
1943—44 ...	·88	1948—49(Bdgt.)	4·29
1944—45 ...	·64		

Although Broadcast License fees is not directly related to this department the receipts under that head are also noted for comparative purpose*. There is considerable scope for increasing receipts under this head so that it may at least cover the expenditure on the Broadcasting Station including the cost of establishment in the Director's Office. It is understood that the Dominion Post Offices are latterly receiving Broadcast License fees. If this is so, it is presumed that they are collecting this on our behalf and the receipts would be made over to us.

3. Some economies appear possible in the contract staff as there appear to be more than one Artist for some instruments, *e.g.*, Veena, Thamboor, Mridangam, etc., and for Rural Programme. There appears to be no need also for highly paid news correspondents for Mysore and Bangalore Cities. The place Qari and Urdu News Editor may be combined with the Nath Reader. There are too many News Readers. One or two of these places may be combined with that of other posts such as Assistant News Editors who will not have full-time work. The details of other expenditure under "Programme" is not available with me. A closer scrutiny of these expenses may perhaps suggest some small economies there also. A 10 per cent cut under "Programme" expenditure may on the whole be effected. Economies in staff.

4. There is a provision of Rs. 12,000 for technical expenditure. This is understood to be for purchase of a

---

	Rs. in lakhs		*Rs. in lakhs*
1938—39 ...	...	1944—45 ...	·42
1939—40 ...	·16	1945—46 ...	·50
1940—41 ...	·29	1946—47 ...	·81
1941—42 ...	·44	1947—48(Revd.) ...	·90
1942—43 ...	·49	1948—49(Bdgt.) ...	1·00
1943—44 ...	·45		

new car. As this will not repeat each year the provision may be omitted.

5. There is a provision of Rs. 1,200 for maintenance of gardens. In addition there are 16 peons in addition to 2 Attenders and 1 Duffedar and two Night Watchmen. The number of menials may be reduced to 10 and the garden establishment reduced to Rs. 600.

6. Some time ago it had been suggested that the workshop of the 'Akash Vani' may be developed and petty repairs of Radios, Loudspeakers, etc., undertaken, so that the workshop may earn a portion of its own expenses. This requires examination.

A 10 per cent cut on 'Programme' expenditure may be effected.—

List of Retrenchments.

	Rs.
Ten percent cut on programme expenditure ...	7,500
Omission of provision food Technical expenditure	12,000
Reduction of expenditure on maintanance of Garden	600
Reduction in the provision for purchase of equipment	2,50,000
Total savings ...	2,70,100

3—*Stores Purchase Committee.*

Organisation of the Department.

The Stores Purchase Committee was constituted in 1923 with a view to entrust the work of arranging purchasing of stores required by the several departments to a Central organisation which would keep in touch with the market conditions and consolidate the requirements of the several departments by making purchase wholesale and to the best advantage of Government. Petty purchases of small volume and not falling under requirements common to more than one department are however permitted to be made direct. Purchases made since 1938-39 is noted below :—

Year	*Purchases*	
	Foreign	*Indian*
	(In lakhs of Rupees.)	
1938—39 ...	33·85	30·73
1939—40 ...	24·31	39·98
1940—41 ...	17·42	30·68
1941—42 ...	102·78	48·69
1942—43 ...	109·67	59·57
1943—44 ...	19·28	60·48
1944—45 ...	19·53	77·49
1946—47 ...	49·03	108·07

2. The Stores Purchase Committee also ensures that only the current rates of customs duty are levied and refunds, if any, promptly claimed except in the case of Railways and Electrical Departments. There is also an agency for clearing and forwarding the consignments at Madras.

Delay in acceptance of tenders and payment of bills avoided.

3. The Secretary, Stores Purchase Committee who was requested to examine and report if any economies were possible says that not only economy is possible but wants extra staff. In connection with this request, the office was inspected by me and it was found that in almost every item, the work had shown a falling off and no case was made out for additional establishment. A report has accordingly been sent separately to Government that no additional staff is necessary and what is required is that work in this office should be rationalised and unnecessary references avoided by suitable delegation of powers and that with these, reductions even in the existing staff may be possible. The delay in the "departmental offices" in taking prompt action on the quotations is stated to have resulted in some cases to enhanced rates having to be paid. Simultaneously, the delay in payment of bills for various reasons appears to have shut out firms who would otherwise have tendered competitive rates. Both these are to be avoided by taking the strongest action necessary if Government should get the fullest advantage out of the Stores Purchase Committee and get its materials at the cheapest possible rates.

———

XIV AND 18—COURTS OF LAW.

Statistics of Receipts and Expenditure.

The progress of receipts and expenditure under this head since 1938-39 is indicated below :—

In lakhs of Rupees.

Sub-heads	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
RECEIPTS											
1 Sale proceeds of unclaimed and escheated properties.	·02	·02	·05	·04	·05	·20	·19	·35	·31	·40	·34
1 Recoveries on account of Pauper Suits.	·10	·10	·16	·16	·14	·13	·18	·21	·17	·19	·19
8 Fees, Fines and Forfeitures.	·62	·70	·68	·68	1·10	1·59	2·31	1·86	2·59	2·50	2·50
4 Miscellaneous.	·04	·03	·04	·08	·05	·18	·15	2·04	1·35	·85	·80
Deduct—Refunds.	·10	·11	·15	·25	.12	·30	·33	1·34	1·94	·85	·85
Total Receipts.	·68	·74	·78	·71	1·22	1·80	2·50	3·12	2·48	3·04	2·98
EXPENDITURE.											
1 High Court	1·54	1·69	2·00	1·97	1·98	2·04	2·18	2·03	2·21	2·32	2·21
2 Law Officers.	·29	·33	·39	·37	·39	·45	·39	·45	·42	·63	·58
3 District and Civil Courts.	6·04	6·05	6·01	6·26	6·02	6·00	6·06	6·01	6·31	7·84	8·30
4 Criminal Courts.	3·92	4·06	4·21	4·30	4·11	4·01	4·10	4·10	4·38	5·37	5·22
5 High Price and Dearness Allowance.	...	...	...	...	...	...	...	...	...	...	3 38
6 Deduct Charges transferred to other heads.	·25	·26	·28	·27	·27	·27	·30	·31	·35	·43	·40
Total Expenditure.	11·54	11·87	12·33	12·63	12·23	12·23	12·43	12·34	13·00	15·73	19·29

It is seen that while the increase in expenditure between 1938-39 and 1946-47 was only about Rs. 1½ lakhs the expenditure for 1948-49 shows an increase of Rs. 7½ lakhs as compared to 1938-39 mainly due to (i) Revision of Scales of Non-gazetted staff (Rs. 1·50 lakhs), (ii) inclusion of Civil Station (Rs. 0·80 lakhs) and Dearness Allowance (Rs. 3·38 lakhs) which item was in previous years shown under another head.

2. A study of the comparative statistics of the number of Courts and the number of cases filed and disposed of in the State shows however that while there has been an increase in the number of Courts there has been a very large decrease in the institutions in recent years.—

While there is increase in the number of Courts, Institutions have gone down with a corresponding decrease in the number of disposals.

Year	Number of Courts	Number of Civil Suits filed during the year	Number disposed of
Munsiffs' Courts.			
1923—24	24	28,545	31,233
1926—27	23	32,295	28,169
1938—39	...	23,626	23,234
1946—47	30	15,979	16,972
Subordinate Judges' Courts.			
1923—24	3	4,520	4,161
1926—27	4	4,875	5,156
1927—28	6	8,176	6,911
1931—32	7	9,205	9,131
1936—37	12	7,353	7,476
1938—39	...	5,515	5,780
1946—47	12	3,839	4,171

The decrease in the total number of disposals in Munsiffs Courts is as much as 50 per cent, while there has been an increase in the number of Courts from 23 to 30. Similarly in respect of Subordinate Judges' Courts, there has been a fall in the institutions from 4,875 cases in 1926-27 to 3,839 in 1946-47 while the number of Sub-Judges have risen from 4 to 12. The institutions and disposal were as high as 9,205 and 9,131 respectively in 1931-32 when there were only 7 Courts against 12 now. No doubt, some of these officers are now entrusted with criminal work, but nevertheless, the decrease in the number of institutions definitely indicated considerable scope for reducing the number of both Munsiffs and Subordinate Judges' Courts.

Even under Criminal Courts though the number tried by these sub-judges is not readily available.

Note.—(The number of offences reported in all Courts in 1945-46 was 32,705 against 33,028 in 1938-39 thus showing a decline here also. The number in 1946-47 was 37,810 the increase being mainly due, it is presumed to food cases).

Limit of jurisdiction to be raised.

3. It appears also possible to raise the limit of jurisdiction of Munsiffs and Sub-Judges in view of the raise in prices of moveable and immoveable properties, so that congestion in the higher courts may be removed and economies made possible.

4. These facts were brought to the notice of the High Court, and their views sought in regard to the economies that may be feasible in respect of these Courts and in regard to the need for continuance of the two temporary District and Sessions Judges Courts. The High Court was also requested to favour me with their opinion as to whether it was absolutely necessary under present circumstances to continue the strength of the High Court Bench at its present level and whether some reduction could not be made in the number of puisne judges.

5. The Registrar says in reply that the number of Courts was increased in October 1927, on the recommendations of the Laws Delays Committee and that as a result of this the average duration of contested original suits has been considerably diminished. He also says that the average duration of a case was 551·6 days in 1926-27 while it is within a year now and that "Justice delayed is justice denied," that both the Government and the High Court have adopted the policy of giving speedy relief by way of regulating the number of courts according to the needs and that merely looking at the figures taken from reports in a mechanical way is sure to lead to fallacious inferences.

6. While the adoption of any measure which would set back the pace of progress in the speedy disposal of cases is not being recommended, it has to be pointed out that there has been a very appreciable decrease in the total number of cases instituted and disposed of in recent years, and this must surely have resulted in a considerable reduction in the volume of work, and it should be quite possible to effect an appreciable reduction in the number of courts by a suitable readjustment of work and jurisdictions. In his letter under advertance the Registrar says :—

> "The proposal of reducing the number of Courts by a suitable redistribution of work is no doubt desirable, but it requires detailed and authoritative examination which may take some time especially in view of the intended completion of the scheme of the separation of Judicial and Executive functions. At present there appears to be no scope for any reduction of the number of Courts unless it is done in a hazardous fashion."

It is also gathered from the Registrar's letter that it is feasible to retrench the Munsiff-Magistrate Court at Narasimharajapura immediately.

Reduction in number of Courts.

7. In view however of the imperative need for economy at present, the matter appears to be one where immediate action is necessary and I would suggest that pending necessary investigations by a competent body as suggested and formation of suitable proposals, which would take some time, an immediate reduction in the number of Munsiffs' and Sub-Judges' Courts should be secured on the basis of the available statistics. The number of Munsiffs' Courts perhaps be reduced to 20 and Sub-Judges' Courts to 9 including Sub-Judges *cum* First Class Magistrates.

Amalgamation of Courts in the City and Civil Station, Bangalore.

8. There are a certain number of Courts—Civil and Criminal, exclusively for the Civil Station. Now that the City and Civil Station is amalgamated there seems to be no need to have separate courts solely for the Civil Station. There is an impression that some of these Courts also do not appear to have full-time work. The question of amalgamating the City and Civil Station as far as Civil and Criminal work is concerned requires therefore immediate examination. It would appear that with the City and Civil Station combined the number of Magistrates and Sub-Judges could easily be reduced at least by one each.

Reduction in the number of Courts of District Judges.

9. As regards District Judges' Courts, the Registrar says that the temporary Additional Court at Bangalore has not only to continue, but would have to be made permanent but that the temporary court at Mysore need not be continued beyond its present term which ends on 31st December 1948. He also states that a proposal for the formation of separate Divisions of District and Sessions Courts with better and equitable distribution of work is now pending consideration by the Government. It is understood that there is a District and Sessions Court exclusively for the Civil Station. Whether this is necessary has to be investigated. The Court may perhaps be abolished if the Second District Judge's Court at Bangalore is to be made permanent and a suitable redistribution of work ordered.

High Court.

10. As regards the strength of the High Court Bench it is stated that the pendency has been increasing on account of the withdrawal of one of the Judges for other work, and there may be need even to raise the strength of the Judges to 6 again. A statement showing

the number of Judges, and the institutions and disposals in the High Court on the Civil side in the years 1923-24, 1932-33, 1938-39 and 1946-47 is enclosed. The heavy pendency in the High Court at present may perhaps be a temporary feature. I do not, however, wish to express any opinion in regard to this matter but would suggest that in the interests of economy the High Court may be requested to reduce the number of Puisne Judges till financial conditions improve.

Economics in Staff.

11. As regards the subordinate establishment in the High Court, there appears to be considerable scope for reduction. The ministerial strength now is 58+12 (temporary) as against 47+3 (temporary) in 1938-39. The reasons for the increase are given in the Registrar's letter. There are 5 Superintendents in the High Court—3 permanent and 2 temporary. From the statistics furnished the work does not appear to have increased very much and this number appears capable of reduction. Similarly reduction in the other staff also possible. The two clerks that were sanctioned specially for inspection work could be discontinued, the members of the normal regular staff being utilised for inspections. The two posts of clerks that are vacant need not also be filled up. Four additional Translators were sanctioned up to 2nd August 1949. The need for the continuance of these appears to require examination. On the whole a reduction of 20 per cent of the staff (including temporary) appears possible and the High Court may be requested to secure this by suitable readjustments.

12. There are two posts of Civil Court Auditors on the temporary establishment. These are lent officials of the Accounts Department. Audit would be best done if the staff works under the orders of the High Court. The proposal to replace this audit by inspections of the Judges of the High Court or by "Checks" by their subordinate staff is not desirable. Local Audit of Courts on behalf of the Audit Department is essential and must be continued. The staff of the High Court that is now engaged in this work may be retrenched and the audit by the Auditors of the Comptroller's Office continued.

Registrar may be of the status of Sub-Judge.

13. The Registrar was formerly of the status of a Sub-Judge. Now there is a District and Sessions Judge as Registrar. Whatever the reasons for the change, in view of the definite decrease in work in all the courts of the State there appears to be no need to have a District Judge as Registrar when a Sub-Judge could do the work.

Similarly the feasibility of retrenching the post of Deputy Registrar may be examined as the subordinate staff in the High Court is highly qualified and well paid and the need for a Gazetted intermediary officer between the staff and the Registrar is not apparent.

Reduction in menial staff.

14. The present strength of the menial staff is 51+2 temporary as against 36+8 temporary in 1938-39. Details of allocation are not furnished. If the scale fixed in the Government Circular is adhered to, the number permissible appear to be—

Chief Justice	....	5
Judges 5	... ...	15
Registrar	... ...	3
Deputy Registrar	... ...	1
Office	... ...	12
Cycle Orderly	... ...	1
Watchmen	... ...	2
Total	...	39+5 (General).

The High Court may be requested to curtail the number of peons as above.

15. As regards the establishment in the subordinate Courts, there may not be much scope for reduction in the standards of establishment now allowed, but if the number of Courts are reduced there will automatically be a corresponding decrease in the ministerial and menial establishment also. Nevertheless in view of the improvement in scales and the proposed increase in the number of hours of work the usual reduction of 12½ per cent on the whole may be adopted.

Economies in Process Establishment.

16. *Process Establishment.*—The figures of receipts and charges given by the High Court (noted below) show that while up to 1939-40 the expenditure was entirely covered by fees the position has gradually worsened since and the expenditure in 1946-47 was more than double the receipts. It may also be observed that while there has been a progressive increase in expenditure from Rs. 1½ lakhs in 1937-38 to Rs. 2½ lakhs in 1946-47, there has been a reduction in the receipts from Rs. 1·76 lakhs in 1937-38 to Rs. 1·21 lakhs in 1946-47. The expenditure in 1947-48 and 1948-49 would even be higher. The High Court is not "agreeable at present" to the scales of fees charged being increased as it " will result in increasing the cost of litigation," but they have proposed, some retrenchments in the staff effecting savings to the extent of Rs. 21,600 ultimately, to be given effect to as and when vacancies

occur. These reductions may be effected. At the same time, the process establishment should not be a charge on general revenues and therefore the rates of fees should be enhanced so that the expenditure is covered by the receipts.

Year		Receipts. Rs.	Charges. Rs.
1937-38	...	1,76,383	1,50,228
1938-39	...	1,58,245	1,50,757
1939-40	...	1,54,712	1,52,265
1940-41	..	1,49,458	1,52,430
1941-42	...	1,51,554	1,59,787
1942-43	...	1,44,042	1,79,514
1943-44	...	1,31,722	1,91,178
1944-45	...	1,24,639	2,06,363
1945-46	...	1,22,506	2,18,370
1946-47	...	1,21,093	2,57,933

Enhancement of Court Fees.

17. As regards enhancement of Court fees, the High Court are agreeable to raise the rates to the level obtaining in the Indian Dominion. This may be adopted.

18. In this connection, reference may be made to the view expressed by the High Court that the "Judicial Department has always been an earning Department in varying degrees and this is a circumstance which should weigh in considering proposals of retrenchment relating to administration of Justice." I do not know on what basis this general statement is made. I note below figures of receipts and expenditure for 1948-49.—

Rupees in lakhs.

	Receipts.		*Expenditure.*
XIV.	Courts of Law ...	2·98	19·29
V.	Stamps—		
	Court Fee Stamps...	13·00	No reduction being made on account of expenditure incurred for manufacture and sale of stamps—discount to vendors, etc.
	Stamped Papers for copies ...	1·10	
	Total ...	17·08	

19. It is seen from the above that the total expenditure now incurred exceeds the receipts. The argument that receipts from the Judicial Department should not exceed the expenditure incurred thereon and that it should not be converted into a Revenue earning department, is a very controversial one and after a review of all the circumstances relating to this question, the Indian Taxation Enquiry Committee have concluded as follows :—

> "While the pitching of the scales of fees so as to produce a revenue just sufficient to cover all the costs of administration of Civil Justice is an ideal to be aimed at financial

considerations may justify the State charging something more, provided that the fees charged are not such as to cause substantial hardship to any class and particularly to the poorer litigants."

An enhancement both in the scale of process fees and court fees should therefore be made immediately in order to meet at least the excess expenditure now being incurred.

Reduction in the grant for contingencies.

Contingencies.—The amount incurred on account of Contingencies in 1938-39 as compared with that provided in the Budget for 1948-49 is noted below :—

	1938-39 Rs.	1948-49 (Bdgt.) Rs.
High Court ...	2,575	7,000
Law Offices ...	474	4,600
District and Civil Courts ...	9,587	22,000
Criminal Courts ...	7,385	16,000
Total ...	20,021	49,600

Even making allowance for the present high level of prices, there appears to be room for securing some economies.

Telephones.

21. At present, telephones appear to be provided at Government cost at the residence of each of the Judges of the High Court. I am separately suggesting that telephones need not be provided at Government expenses to residences of officers unless the nature of their duties require their being constantly in touch with Government or their subordinate officers. Several of the telephones now installed may be removed.

Residence at Mysore.

22. There is provision in the Budget for 2 peons for " West Lake " in Mysore, a residence reserved for the Chief Justice. The Chief Justice may perhaps be requested to review the need for keeping a separate building exclusively for his use at Mysore and whether in view of the need for economy this could not be given up.

23. The provision made under Contingencies may thus be reduced from Rs. 49,600 to Rs. 40,000.

24. *Travelling Allowance.*—The expenditure under this head in 1938-39 and in 1948-49 (Budget) is noted below :—

	1938-39 Rs.	1948-49 Rs.
High Court ...	2,417	8,500
Law Offices ...	872	300
Dist. & Civil Courts.	5,485	9,700
Criminal Courts ...	4,747	4,500
Total ...	12,521	23,000

The grant under this head may I think be reduced by Rs. 8,000.

25. *Other Charges.* - The expenditure under other special charges have also increased considerably since 1938-39 :—

		1938-39 Rs.	1948-49 Rs.
1.	Remuneration to Typists and Examiners...	64,771	1,11,300
2.	Batta to Prosecutors and Witnesses ...	5,559	13,250
3.	Allowance to Jurors and Assessors ...	1,623	2,250
4.	Fees to Advocates and Law Charges ...	5,586	13,000
	Total ...	77,539	1,39,000

As the expenditure under these items seems to be governed by prescribed scales of rates there may not be much room for securing any economies.

Hours of Work.

26. The High Court is not in favour of changing the existing hours of work. It has been suggested that with a view to secure some reduction in the strength of staff, the hours of work may be increased and all offices made to work from 10-30 A.M. to 5-30 P.M. The Courts may perhaps also adopt these timings.

The retrenchments suggested are—

		Rs.
1.	By abolishing 10 Munsiffs' Courts	88,462
2.	By abolishing 3 Sub-Judges' Courts	7,423
3.	Abolition of—1 Magistrate's Court	2,432
	1 Sub-Judge's Court	2,474
	1 District Judge's Court ...	2,515
	(By amalgamation of the Courts in the Civil Station with those in the City.)	
4.	By reducing 20 per cent in the Establishment of High Court	17,987
5.	By retrenching the post of Deputy Registrar ...	3,600
6.	By retrenching 9 Peons	1,944
7.	Reducing the grade of Registrar from District Judge to Sub-Judge	3,600
8.	12½ per cent cut in the Subordinate Courts Staff ...	2,783
9.	Retrenchment in the establishment of the Process Service	21,600
10.	Reduction in the grant under Contingencies ...	9,600
11.	Reduction in Travelling Allowance	8,000
	Total ...	1,72,420

Statement showing the work turned out by the High Court on the Civil Side during the years noted below :—

Year	1923—24		1932—33		1938—39		1946—47	
Number of Judges.	3		3		4		5	
First appeals ...	379	309	109	90	128	145	225	324
Second appeals ...	119	184	241	181	412	331	679	539
Misc. appeals ...	74	73	39	56	57	60	49	58
Civil Revision Petition.	257	255	428	387	472	540	496	449
Civil petition ...	...	...	81	64	107	109	94	85
Civil Referred cases	...	...	4	5	3	4	...	...
Total ...	829	821	905	783	1,179	1,189	1,543	1,455

XV AND 19. JAILS.

Abolition of the full-time post of Inspector-General of Prisons and making the I.-G. of Registration *Ex-officio* I.-G. of Prisons.

A full-time post of Inspector-General of Prisons was created in Government Order No. 913-15—C.B. 61-47-1, dated 20th August 1947. But as accepted by the Inspector-General himself there is no need to have a full-time officer for the charge of this Department. The post may therefore be abolished and the work attached to another Head of a Department, preferably perhaps the Inspector-General of Registration as Sub-Registrars are generally in-charge of Lock-ups in the Taluks and there would be some rationale in making the Inspector-General of Registration *Ex-officio* Inspector-General of Prisons.

Reduction in the number of Head-Warders and Warders.

2. Regarding the subordinate establishment although there has been an appreciable reduction in the number of prisoners in recent years (*vide* statement enclosed) there has been an increase of about 60 in the number of Warders as compared to 1938-39. It should therefore be possible to retrench at least 60 Warders and 6 Head-Warders without impairing efficiency. The Inspector-General of Prisons has suggested and I agree with him that the posts of 9 Religious Ministers on Rs. 15 per mensem may also be abolished as it is not necessary that we should introduce religious controversies in the Jail.

Savings that could Accrue by non-retention of under-trial prisoners for unnecessarily long periods.

3. The Inspector-General of Prisons considers that a saving of not less than Rs. 20,000 can be secured annually by issue of suitable instructions in regard to the non-retention of under-trial prisoners for periods longer than absolutely necessary. This is clearly possible by insisting on speedier investigation and disposal of custody cases and may be accepted.

Food to be grown with the help of convict labour.

4. There is considerable scope for effecting further economies by growing food with the help of convict labour and developing the manufacturing section on sounder lines so as to yield better profits. The sanctioned scale of diets requires also scrutiny. The rigours of jail life may no doubt be lessened but we need not encourage people going to jail by making the same unnecessarily attractive.

Jail Manufacture.

5. Steps should also be taken to increase the production in Jails. The Inspector-General of Prisons who was requested to favour me with definite proposals in this behalf stated that industries in Jails depended generally on the demand for goods and that such demands were met when raw materials were available. He has not

however given any definite proposals to step up production. There is a lumpsum provision in the current year's budget of Rs. 2 lakhs for capital equipment under jail manufacture and it is presumed that with this equipment, Jail Industries and the returns therefrom would be greatly increased. At present these Jail Industries are not yielding even as much as we spend on raw materials —let alone establishment or overhead charges, *e.g.*, the receipts from sale proceeds of manufactures are shown as Rs. 10,500 while the provision for raw materials is shown as Rs. 25,000. The receipts should be at least equal to the cost of raw materials purchased.

Savings.

6. If the above views are accepted, the following savings could be expected in addition to 2 lakhs under non-recurring :—

	Rs.
1. By the abolition of the whole-time Inspector-General of Prisons	12,000
2. By the abolition of one Duffedar and two peons	1,200
3. Reduction in Travelling Allowance Charges ...	1,300
4. Reduction in cost of under-trial prisoners ...	20,000
5. Reduction in the number of Warders and Head-Warders	31,000
6. By increasing the receipts from sale proceeds of manufacture	14,500
Total ...	80,000
Omission of non-recurring grant ...	2,00,000
	2,80,000

Statement showing the number of prisoners received in the several jails from 1937-38 to 1946-47.

Year	Number in the beginning of the year	Number received during the year	Number at the close of the year
1937-38 ...	1,312	7,307	1,170
1938-39 ...	1,170	7,628	1,136
1939-40 ...	1,136	13,302	2,183
1940-41 ...	2,183	8,620	1,214
1941-42 ...	1,214	3,348	1,324
1942-43 ...	1,324	9,153	2,095
1943-44 ...	2,095	12,693	1,632
1944-45 ...	1,632	9,507	1,219
1945-46 ...	1,219	3,000	908
1946-47 ...	908	4,338	994

XVI AND 20. POLICE DEPARTMENT.

Statistics of Receipts and Expenditure.

This is one of the departments the expenditure on which has grown enormously in recent years, as seen from the statement of Receipts and Expenditure by sub-heads from 1938-39 to 1948-49 furnished below:—

(In lakhs of rupees).

Minor Heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
RECEIPTS.											
1. Police supplied to private persons.	...	...	...	...	...	...	...	...	...	...	·11
2. Miscellaneous Receipts*	·70	89	·43	·27	·23	·14	·19	·08	·14	·14	·07
3. Cinema Receipts.	·25	·34	·26	·27	...	...	...	...	...	...	...
4. Deduct Refunds.	·08	·03	...	...	...	...	...	...	...	...	...
Total ...	·92	1·20	·69	·54	·23	·14	·19	·08	·14	·14	·18
EXPENDITURE.											
1. Superintendence.	1·09	1·06	·73	·65	·60	·54	·53	·53	·52	·50	·8
2. Criminal Investigation Department.	1·13	1·05	·87	·82	·28	·28	·45	·45	·37	·33	·25
3. Police Force.	57·97	49·04	33·17	21·93	20·97	21·13	22·96	22·21	19·65	19·26	19·21
4. Police Training School.	·27	·23	·22	·21	·18	·25	·26	·19	·17	·19	·14
5. K. G. F. Police.	1·71	1·39	·88	1.18	1·12	1·03	1·10	1·11	1·07	1·06	1·01
6. Railway Police.	2·10	1·72	·11	0·99	·86	·72	·61	·54	·49	·49	·57
7. Emergency Police.†	5·85	...	...	...	...	...	...	...	...	...	...
8. Buildings...	7·00	3·00	...	...	...	...	...	...	...	...	...
9. High Price and D. A.	22·63†	...	...	...	...	...	...	...	...	...	...
	99·75	57·49	36·48	25·28	24·01	23·95	25·91	25·03	22·27	21·83	21·71
10. Deduct Charges under 5 (1) Ordinary Police transferred to 7. Supervision of Mines and other charges.	1·71	1·39	1·05	1·12	1·07	1·03	1·15	1·06	1·08	1·07	1·02
Total ...	98·04‡	56·10	35·43	24·16	22·94	22·92	24·76	23·97	21·19	20·76	20·69

* Includes recovery of cost of kit articles lost by Police Officers, half the cost of boots supplied to Police Inspectors and Sub-Inspectors and sale proceeds of old gazettes and newspapers.

† This expenditure was being booked in previous years under "32 (b) Expenditure connected with the War."

‡ The figures for 1948-49 include expenditure on account of Police Charges in the Civil Station.

The increase in the strength of the Police Force since 1938-39 is indicated below :— Increase in personnel.

	1938-39 Perm.	Temp.	*1947-48* Perm.	Temp.	*Increase.*
			A. EXECUTIVE.		
Gazetted Officers.	22		39 (including 2 Prob. A.S.Ps.).		17
Non-gazetted Officers.	1,042	+ 30	1,664	+ 265	857
Men ...	5,632	+ 84	8,664	+ 965	3,913
	6,696	+ 114	10,367	+ 1,230	4,787
Total ...	6,810		11,597		4,787
			B. MINISTERIAL.		
	146		223		77

2. There was a large increase in the strength of temporary personnel during the war period between 1940-41 and 1942-43, particularly after the August 1942 disturbances and the strength of the *temporary* force went up to 425 officers and 2,291 men by end of 1942-43. In 1943-44, there was a further increase of 105 officers and 371 men chiefly in connection with enforcing the provisions of Silk Control Order, and the policing of the Bangalore-Harihar and Bangalore-Hindupur Railway Sections which were taken over from the C. & M. Station Police. In the succeeding years, *i.e.*, from 1944-45 onwards, while some retrenchments of *temporary* staff appear to have been made, most of the staff retrenched under temporary was absorbed in increases sanctioned to the *permanent* strength so that in effect there was no decrease at all and on the other hand there were definite increases in the permanent expenditure. Thus the expenditure of the Department which was Rs. 24 lakhs in 1945-46 went up to Rs. 34·43 lakhs in 1946-47 and the expenditure proposed for 1948-49 is Rs. 99·75 lakhs including Dearness Allowance and Rs. 77·12 lakhs without it. This figure includes however expenditure on account of the old C. & M. Station. The total cost of the department has thus gone up by over 100 per cent during the past 2 or 3 years. During this period the Bangalore City Police Force and the Provincial Armed Reserve have been reorganised and strengthened at a very heavy cost and the scales of pay also improved. The expenditure on

motor vehicles and other equipment and their maintenance has also increased considerably. This is therefore one of the departments where there should be considerable scope for economies and that is why one of the matters specially referred to me for examination is the—

> "Maintenance of a limited Police or Military fully equipped with modern arms instead of merely maintaining present numerical strength.".

The particular reference to these departments, *viz.*, Police and Military, is apparently due to the large increases both in number and in cost in these departments compared to 1938-39 and to some extent the complementary nature of the duties devolving on them. The increases in expenditure under these heads is noted below for ready reference:—

		1938-39	*1948-49*	
		(In lakhs of rupees)		
Military	...	15·67	83·26	Includes Dearness Allowance.
Police	...	21·70	99·75	"

Statistics of Crime do not support the large increase in Establishment.

3. Whatever may have been the justification for these increases during the political disturbances which followed the partition of India in August 1947 and the subsequent Hyderabad trouble, all these now appear to be things of the past and one could fairly expect that with the disappearance of these disturbing factors and the advent of Responsible Government everywhere, such a large Police establishment would be unnecessary for purposes of internal security and for maintenance of Law and Order. Taking the statistics of crime only, from the figures given below it is seen that there was a definite decrease till 1942-43 both in the number of offences reported and number of persons dealt with and it is only subsequently that there have been some increases and these are attributed mainly to offences relating to several controls. The increase in ordinary crime does not appear to justify the large increases in the personnel and expenditure on Police establishment. Neither does the increase in population justify the same.

Statistics of offences reported and persons dealt with in 1938-39 and subsequent years.

Year	Number of offences reported during the year	Number of persons dealt with during the year
1938-39 ...	35,028	50,079
1939-40 ...	35,808	54,809
1940-41 ...	32,094	48,053
1941-42 ...	34,063	51,771
1942-43 ...	22,170	49,515
1943-44 ...	31,389	51,244
1944-45 ...	32,978	55,114
1945-46 ...	32,705	57,616
1946-47 ...	37,708	64,127

Maintenance of Law and Order paramount but at the same time the establishment for the purpose should be minimum necessary.

4. It is no doubt true that apart from detection and prevention of crime which is the normal work of the department, the Police in these days should be prepared to control at short notice untoward situations that may suddenly develop in connection with labour unrests, strikes, communal disturbances, etc., and for these purposes there should always be available a quick and mobile striking force which could tackle the situation before it could develop to serious proportions. The question is what is the minimum force of that type that would the necessary for these purposes, and to what extent could the availability of a highly trained and well-equipped military give relief to the Police in such an emergency. No Government could afford to toy with public peace or the life of its citizens or their property. Maintenance of Law and Order is undoubtedly the primary duty of the State and the Police force necessary for ensuring this would have to be maintained, but at the same time there is no need to be unnecessarily panicky and increase these forces far beyond reasonable requirements. Considering that the State maintains an adequate well-equipped and modern military force for internal defence purposes, and also a "Home Guard" organisation for assistance in the maintenance of local peace, it ought to be possible to effect considerable economies in the Police Budget by proper pooling of all the resources available and their effective and co-ordinated use.

Economies in Expenditure.

5. Regarding the economies that could be effected in this department, while furnishing all the statistics and

other materials asked for, the Inspector-General of Police has not shown in his letter any inclination to point out directions in which material reduction in expenditure could be effected. He has further stated that "improved means of transport and equipment does not help to reduce the force." Beyond a suggestion that some savings may possibly be effected by introducing the system of allowing fixed T.A. (P.M.T.A.) for Police Inspectors, Sub-Inspectors and Jamedars in Taluks, he is not agreeable to any reductions being made in establishment or other charges. I may in this connection invite reference to the proposals made by Retrenchment Committee of 1931, who suggested savings to the extent of over a lakh in the then comparatively small budget of the Department, with the full co-operation of the then Inspector-General of Police, and I am sure it is not difficult now, in the present inflated Police Budget, to secure sizeable economies under every item of expenditure.

The scale in 1938 may be taken as basic scale and minimum necessary additions allowed.

6. I would therefore suggest that the scale of Police establishment prior to the disturbances in 1938 may be kept as the *basic scale*, and agreeing with the Inpector-General that extra Police would have to be stationed in the bigger cities and places where there is a large concentration of labour or explosive communal elements, the minimum additions needed on account of these may be worked out and the scale suitably raised. We may also station special detachments of Armed Reserve or Military within easy striking distance of such areas. This would represent the *maximum* limit of the Police force which we need maintain.

The special committee will, it is presumed, examine all these aspects and suggest suitable economies.

I wanted to work this out in consultation with the Inspector-General of Police but I understand that Government has since appointed a departmental Committee to examine the existing position and suggest retrenchments. I do not want to anticipate their report and would prefer to wait as presumably I would be afforded an opportunity to see the report and offer suggestions before final action is taken thereon.

No need for three posts of Deputy Inspectors-General.

7. In the meanwhile I wish broadly to indicate the items in respect of which retrenchments would appear to be possible.

(i) There are now three Deputy Inspectors-General of Police in grades as under: Senior Deputy Inspector-General of Police (Rs. 1,000—50—1,200), Deputy Inspectors-General of Police 2 (Rs. 600—50—800). Till 1944

there was no Deputy Inspector-General of Police. It is only during the last four years three of these senior posts have been created one of which being in lieu of the post of the Commissioner of Police in the former Civil and Military Station. In a small State like ours, it seems unnecessary to have these intermediaries between the Inspector-General of Police and the District Officers and it would be definitely advantageous if the Inspector-General of Police retains the direct contact with the district officers he used to have formerly. If absolutely necessary there may be a Commissioner of Police for Bangalore Urban, *i.e.*, City and Civil Station (higher in status than a Senior District Superintendent of Police with special powers), but the posts of the other Deputy Inspectors-General of Police may be abolished. In a large Province like Madras, they have only four Deputy Inspectors-General and the Retrenchment Committee there had suggested the abolition of two posts but this was not pressed on account of the border troubles, etc., then existing.

Deputy Commissioners should continue to be the head of the District Police.

It is also necessary in the interests of administration that the Deputy Commissioners (who will perhaps be divested of their judicial functions) should continue to be the heads of district police and their responsibility in this matter should be left unimpaired. The inter-position of a Deputy Inspector-General of Police between the District staff and the Deputy Commissioner and the Inspector-General of Police is not from this point of view also desirable.

Reduction in Gazetted staff.

(ii) The gazetted staff which was 21 in 1938-39 is now 41 (including C. & M. Station). Several of these additions are unnecessary. A District Superintendent of Police for Chief Office along with two Assistant Superintendents of Police are unnecessary. Similarly the number of Assistant Superintendents of Police may be reduced by doing away with some of the Sub-Divisions. The Mysore City Assistant Superintendent of Police and at least one in Bangalore could be retrenched. The non-gazetted staff has also increased from 1,209 in 1938-39 to 2,107 and the men from 5,600 to 9,100 and large reduction in this is possible.

Reduction under Travelling Allowance and contingencies.

(iii) Expenditure on Travelling Allowance has increased from Rs. 17,500 to Rs. 30,600 in the case of Gazetted Officers and from Rs. 1,83,000 to Rs. 3,06,000 in the case of establishment, that on contingencies has increased from Rs. 46,000 to Rs. 78,000. The expenditure

on Special Charges has more than doubled being Rs. 2,43,500 now, against Rs. 1,20,000 in 1938-39. The increase under Travelling Allowance and Contingencies is enormous and large savings under these items are possible.

Latterly, Government Conveyances, Buses and Jeeps have also been supplied to this department and complaints regarding their misuse are being heard. It is therefore necessary that where Government conveyances are supplied for use for public purposes proper controls to prevent their misuse appears to be called for. Here again, I presume that the departmental committee appointed for effecting economies would put up suitable proposals. The need for the number of staff cars and other Government vehicles now maintained should also be carefully scrutinised and maximum economies effected.

Reduction in Executive staff.

(iv) Regarding the superior executive establishment, with the more highly qualified personnel that we are now securing and the improvement in scales of pay, Sub-Inspectors may well be placed in charge of lighter taluks and an Inspector may have charge of more than one taluk. The number of Inspectors, Sub-Inspectors, Jamedars, Duffedars and Constables appears also to be capable of reduction. This can be effected by a suitable reorganisation of work. It has been my experience that transfers in the Executive are very frequent. This also causes unnecessary extra cost since in all cases which these officers have investigated they have often to travel long distances for giving evidence and if all these cases in which they appear are not posted for the same day as far as possible and cases taken day-to-day and if in addition unnecessary adjournments are given as is unfortunately done there is unnecessary expenditure under T. A., and also dislocation of work. This aspect of the question requires examination and Magistrates specially directed—

(1) to post all the cases where these Police officers have to appear simultaneously; and

(2) dispose of such cases taking them up from day-to-day.

On the administrative side unnecessary transfers should be avoided and transfers never made as a punishment because they are rarely so.

Reduction in Ministerial staff.

(v) Regarding the ministerial staff, there is no need for two separate posts of a Manager and Head Clerk for the Office of the Inspector-General of Police. One of these, preferably that of the Manager, may be abolished.

An all round reduction of 12½ per cent in the staff may also be effected.

(vi) Regarding orderlies, the system of giving Police Constables as orderlies should cease as Police Orderlies are very costly. It appears enough if only one Police Orderly is given to Officers entitled to Police Orderlies and for the rest only peons given on the same scale as in other offices.

Number of Police Orderlies to be reduced.

(vii) One important point I wish to raise is the position of the Provincial Armed Reserve Police. I do not understand why a large Reserve like this should be kept. This Reserve has no work except during emergencies. The strength of the Reserve is now 2,900 against 655 in 1938. We may easily reduce the present number to 1,000 by having only 50 for each district and another 500 distributed between Bangalore and other important Industrial Centres. They should however be armed with up-to-date weapons and their mobility ensured. There need be no apprehension of any inadequacy in strength since we shall always have an efficient and mobile military force to assist these and it has been suggested also that the Military Units should be located at suitable places in the interior of the State so that they may be able to give prompt assistance in times of emergency. In this connection, there seems to be some doubts felt about calling in the Military for rendering assistance before the Civil Authorities definitely feel that they cannot manage the situation. It is also the impression that once the Military is called the situation should be handed over to them. I do not see why this should be so and why the Military should not be called in at the earliest possible stage and work in co-ordination with the Civil authorities. If there is any legal difficulty that aspect may be gone into and facilities created for taking the assistance of the Military in an emergency to *assist* Civil authorities, the situation being handed over to Military only when the highest Civil Officer on the spot feels he can no longer manage the situation. This will avoid the maintenance of a large Armed Reserve Police.

Reduction in the strength of Provincial Armed Reserve Police.

8. Pending the report of the Expert Committee, regarding economies possible I consider that it ought to be possible to secure an economy of at least Rs. 30 lakhs in this one department and I am therefore provisionally assuming this for purposes of my Report.

9. The provisions for Contingencies, Travelling Allowance and other allowances has been particularly generous and admits of being cut down.

Deletion of lumpsum grants.

10. Again there is a provision of Rs. 5·85 lakhs for Emergency Police out of which Rs. 3·16 lakhs is for establishment, Rs. 1·00 lakh for Travelling Allowance and Rs. 75,000 for Contingencies. The whole allotment will go when the emergency ceases and in the meanwhile substantial cuts in these ought to be possible. A lumpsum provision of Rs. 3·00 lakhs has been made for Home Guard and even here large economies could be effected. Similarly the lumpsum provision of Rs. 5·71 lakhs for Police Buildings may be deleted.

11. Savings proposed.

As per Para 8: Rs. 30·00 lakhs.

———

XVII AND 21—MEDICAL

Statistics of receipts and expenditure.

The expansion of medical facilities particularly to Rural areas is one of the principle items in our postwar programmes. The activities of this department are thus necessarily to expand and we cannot therefore look for any large savings in this department except that as in the case of other departments it has to be examined if there are any unnecessary items of expenditure or items in which savings are possible. The statement below shows the gradual rise in expenditure from Rs. 17·12 lakhs in 1938-39 to Rs. 75·21 lakhs in the current year. Receipts have also risen from Rs. ·96 lakhs to Rs. 3·73 lakhs.

In lakhs of rupees.

Minor Head	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49
RECEIPTS.											
1 Hospital receipts.	·75	·92	·97	1·01	1·29	1·55	1·70	1·81	1·97	2·40	2·60
2 Mental Hospital receipts.	·12	·21	·26	·41	·34	·35	·40	·36	·47	·60	·60
3 Miscellaneous.	·10	·16	·26	·19	·22	·29	·32	·26	·63	·55	·55
Deduct refunds.	·01	·03	·18	·07	·08	·01	·02	·01	·01	·02	·02
Total ...	·96	1·26	1·36	1·54	1·82	2·18	2·40	2·42	3·06	3·53	3·73
EXPENDITURE.											
1 Superintendence.	·28	·30	·31	·30	·32	·34	·35	·37	·37	·43	·45
2 Hospitals and Dispensaries.	14·09	12·51	13·67	15·48	15·77	18·17	19·92	20·16	21·53	36·23	39·63
3 Medical Stores.	2·70	2·98	2·97	4·56	4·10	5·20	5·73	6·04	8·00	8·23	7·30
4 Mental Hospital.	·27	·40	·51	·48	·68	·78	·54	1·15	1·45	1·65	1·63
5 Medical Schools.	·06	·07	·06	·08	·06	·07	·06	·10	·08	·17	·28
6 Department of Indian Medicine.	·20	24	·24	·25	·37	1·77	1·38	1·79	2·48	1·99	3·31
6-A Development Schemes.	...	...	...	...	...	...	...	...	·20	1·40	7·19
6-B Dearness Allowance.	...	...	..	...	...	...	...	...	...	...	8·53
7 Buildings ...	...	...	...	...	...	...	...	...	...	...	8·05
8 Deduct (*a*) K G.F. charges transferred to 7. Supervision of Mines.	·47	·48	·53	·50	53	·58	·80	·88	·96	1·06	1·16
(*b*) Expenditure met from special Reserve Fund.	...	...	...	...	...	...	...	...	·20	1·40	...
Total ...	17·12	16·02	17·23	20·65	20·77	25·74	27·18	28·72	32·94	48·34	75·21

2. The main reasons for the large addition to expenditure are (1) addition of Rs. 8·05 lakhs on account of Dearness allowance provided under a separate head of account till 1948-49; (2) increase in the number of Hospitals and Dispensaries; (3) revision of scales of pay; (4) increased cost of medicines and equipment; and (5) inclusion of hospitals in Civil Station area. The number of beds, number of in-patients and out-patients treated in General and other hospitals have also considerably increased as noted below:—

		1938-39	*1946-47*
Number of beds	...	3,056	5,046
Number of in-patients treated	...	61,537	1,23,738
Number of out-patients treated	...	56,12,993	74,88,942
Expenditure on Hospitals		Rs. 14·36 lakhs	Rs. 32·98 lakhs

Superintendence. Need to continue several officers.

3. Against one Senior Surgeon formerly there are now really three Heads of Departments within the department, *viz.*, the Senior Surgeon, Director of Hospitals and the Director of Tuberculosis. In addition till now there was the post of Chief Medical Officer for Women's Hospitals. This has since been abolished. The question of combining the Medical and Health Departments under a common head has been discussed in my Note on the Health Department. Both from the point of view of economy and efficiency it seems to be desirable to have a common head for the Medical Department with all its Branches and the Public Health Department, the sectional heads being kept at the "Deputy" level. The increase of administrative officers as at present involves unnecessary delay and correspondence and avoidable extra cost in the shape of clerical and menial staff, contingencies, travelling allowance, etc. It would also be a waste to utilise technical men for administrative jobs as heads of officers when they could be relieved of the same and left free to attend to their technical work. Moreover too many heads in a Department would complicate postings and transfers and give rise to considerable disharmony in its working.

Honorary Surgeons to be attached to District and other important Hospitals

4. The expenditure on Surgeons and Assistant Surgeons in the various Hospitals and Districts is nearly Rs. 8 lakhs as compared to Rs. 2·73 lakhs in 1938-39. With the rapid increase in the number of institutions there has also been a great increase in the personnel. There are now 21 Surgeons against 6 in 1938-39 and 85 officers drawing Rs. 250—450 as against 28 in 1938-39. It has been

stated that any reduction in numbers may be unworkable as long as the existing system of working these Hospitals continues. It is a point for consideration however whether the time has not arrived for having a system of Honorary Surgeons for the major institutions in the Cities and perhaps for the District Hospitals, also. The suggestion of the 1931 Retrenchment Committee in this matter noted below is well worth consideration both from the administrative point of view and as a measure of securing economy :—

> "The feasibility may be considered of a suggestion which we have seen put forth elsewhere, namely, that the medical profession may be more closely associated with the City Hospitals and medical institutions through the appointment of honorary surgeons and physicians, who will take over a number of beds, deliver lectures, and discharge full duties attaching to their posts. The suggestion, if otherwise found feasible will have obvious advantages from the side of economy also."

The Madras Retrenchment Committee has also endorsed this suggestion as could be seen from the extract below :—

> "Medical Officers.—The system of appointing Honorary Medical Officers should be encouraged and availed of to a great extent. Paid medical officers may be appointed only to duty posts, declared as such by the Surgeon-General. The remaining posts of doctors in Headquarter Hospitals may easily be filled up by Honorary Medical Practitioners and the system gradually extended to all *Taluk* Hospitals as far as possible."

The Senior Surgeon however is not in favour of this proposal as in his opinion the number of competent Surgeons who are willing to do honorary service is very limited. The Director of Hospitals and Director of Tuberculosis are however in favour of this suggestion and they feel that the services may be improved by having such Honorary Surgeons. The proposal if given effect to would reduce expenditure on Gazetted staff to a very large extent.

5. There is an impression that the staff in a Government institution is comparatively more than a private institution of a similar type and in this conection it may be also useful to investigate if this popular impression is correct and if so, why this should be so. I could not examine this aspect of the question for want of data. It seems to be desirable to appoint an Expert Committee

to examine this matter more thoroughly to see if the Government institutions are not overstaffed.

Purchase of medicines and suggestions for decentralisation.

6. For purchase of medicines and hospital necessaries, a sum of Rs. 8·03 lakhs has been provided for under Medical Stores. The purchase and stock of Europe medicines and equipment is centralised and the distribution to the hospitals is from this Stores. Considerable decentralisation appears to be possible here and instead of the Stores buying and stocking all the Europe medicines and equipment required for all the institutions in the State, it ought to be possible for the Senior Surgeon to consolidate the indents after scrutiny as at present and send it to the Stores Purchase Committee who will settle the rates and the dealers from whom the articles should be purchased and each institution could then make its purchase direct according to the grants allotted to it. As the suppliers, it is understood, are mostly local dealers or agents there should be no difficulty in this matter. If it is considered that it would be administratively inconvenient for each dispensary to purchase its requirements direct, the District may be made the Unit in respect of dispensaries, the dispensaries getting their supplies from the District Stores. It may be stated in this connection that there is already a provision of Rs. 4·69 lakhs for direct purchase of medicines by the several hospitals.

Diet charges self-dieting charges to be introduced.

7. The expenditure on diet charges in several hospitals as per statement enclosed is now Rs. 10·09 lakhs (1948-49) as against Rs. 1·97 lakhs in 1938-39. The increase is mainly due to the rise in cost of food grains, services, increase in hospitals, patients and also on account of Civil Station hospitals. The Madras Retrenchment Committee have noted that there is some amount of wastage both in procurement and utilisation which can be avoided and suggests that a Committee should be appointed to go into this matter. They also recommend encouragement of the self-dieting system to the extent possible. As the expenditure on dieting is very heavy it is well worth appointing an Expert Committee to examine this matter and in the meanwhile to encourage " Self-dieting " to the maximum extent possible consistent however with the requirements of each case.

Bedding and other clothes.

8. Against Rs. ·17 lakhs in 1938-39 the expenditure has increased to Rs. 1·39 lakhs, on account of the rise in prices and increase of hospitals and in-patients. It is noticed that the provision in the General Hospitals in the Cities is very much more than the Hospitals in the Civil

Station area. The provision against Victoria Hospital and Vani Vilas Hospital seems very high and capable of reduction. It is a point for consideration whether the requirements of our Hospitals in these matters could not be secured direct from the mills without the intervention of unnecessary intermediaries.

X-Ray receipts to be improved.

9. A sum of Rs. 49,000 is provided for under X-ray equipment and spares for 1948-49 but, X-ray receipts is only shown against two Hospitals, *i.e.*, Victoria Hospital at Bangalore and Krishnarajendra Hospital at Mysore. Even here the receipts shown is only Rs. 3,000 in each hospital. Why the receipts are so low should be examined.

Reduction of lumpsum grants.

10. There is a provision of Rs. 1·50 lakhs provided for lumpsum mass radiology equipment in the Sanatorium at Mysore. Being non-recurring expenditure provided for in 1948-49 there will be no need for such provision in the coming years. There is a provision of Rs. 7·19 lakhs for the development schemes noted below:—

	Rs.
Conversion of District Hospitals into General Hospitals.	40,000
Starting Mobile Dispensaries ...	60,000
Anti-Leprosy work—	
Central Asylum ...	25,000
Leper Colonies ...	20,000
Electrical installation, etc., in the Radiology, block of Krishnarajendra Hopital.	35,000
Surgical instruments for Krishnarajendra Hospi. tal.	22,000
Purchase of 400 K.V. Theraphy apparatus ...	1,20,000
Construction of quarters for Medical men in the Malnad parts.	2,50,000
Anti-Tuberculosis measures—	
After care Colonies ...	2,000
District Hospitals ...	20,000
Deputation of Officers to Foreign Countries ...	75,000
Improvements to Krishnarajendra Hospital ...	50,000
Total ...	7,19,000

This includes the following items that are definitely non-recurring :—

	Rs.
Electric installation and equipment for Radiology block of Krishnarajendra Hospital, Mysore.	35,000
Surgical Instruments for Krishnarajendra Hospital, Mysore.	22,000
Purchase of a 400 K.V. Theraphy apparatus.	1,20,000
Deputation of Officers to Foreign Countries.	75,000
Improvements to Krishnarajendra Hospital.	50,000
Total ...	3,02,000

These will not repeat in future Budgets. Similarly, the construction of quarters for medical men in the Malnad is linked up with the general question of constructing quarters for Government Officers and it is a point for consideration if the present time, when building materials are very costly, is opportune for such constructions. The grant may be reduced by one lakh. Regarding Deputation of Officers to Foreign Countries while there is no doubt that there is very great advantage in our officers obtaining advanced instruction and training in foreign countries it does not appear necessary to *depute them* at Government cost incurring heavy expenditure. A system of study leave and loans either free of interest or at nominal rate for meeting the other incidental expenditure may be revived and officers encouraged to go to foreign countries, a regular programme being drawn up for this purpose. This measure will enable larger numbers to get qualified at a lesser expense to Government.

Reduction in building grants.

11. There is a provision of Rs. 8·05 lakhs for buildings. The Senior Surgeon states that construction of the proposed Malleswaram General Hospital is not to be taken up for few more years to come. So, the provision of Rs. 1·78 lakhs may be omitted. So also the provision of Rs. ·71 lakhs for the Medical Association Building may be deferred, the present Pathological block being temporarily given to the Association. The lumpsum grant for other works may be reduced from Rs. 2·34 lakhs to Rs. ·50 lakhs thus showing a saving of Rs. 4·33 lakhs. The provision may therefore be reduced to Rs. 3·72 lakhs.

12. Under opening new dispensaries there is a lumpsum provision of Rs. 50,000 and another Rs. 15,764 under establishment. These may be reduced to Rs. 25,000 as many new dispensaries could not be opened for want of staff.

13. Regarding augmentation of revenue, the Senior Surgeon is agreeable to the raising of Ward fees by 50 per cent over the present rates fixed in 1939, keeping in mind the difficulties and heavy costs that have to be encountered by public in procuring medicines, fruits, etc., besides payment of ward fees. This seems suitable and may be adopted. This will bring in additional Revenue of about one lakh of rupees. The Hospital receipts which was Rs. ·75 lakhs in 1938-39 has increased to Rs. 2·60 lakhs in 1948-49. The increase is not commensurate with increases in expenditure. The collections should be more rigidly made and the receipts increased to four lakhs. Efforts may also be made to secure donations for maintenance of beds from philanthropic gentlemen. An additional Revenue of about Rs. 2 lakhs at least is anticipated by giving effect to these proposals. Improvement of revenue.

Retrenchments proposed are :—

		Rs.
1	By having a common head of Department between Medical and Public Health Departments.	20,000
2	Appointment of Honorary Medical Officers.	25.000
3	Reduction in diet charges ...	50,000
4	Do bedding, etc. ...	35,000
5	Local Fund Dispensaries ...	40,764
6	Buildings ...	4,33,000
7	Mass Radiology Equipment ...	1,50,000
8	Items listed in para 10 ...	3,02,000
9	Construction of quarters in Malnad...	1,50,000
	Total ...	12,05,764

Augmentation of Revenue :—

1	Raising ward fees by 50 per cent ...	1,00,000
2	Improving Hospital receipts by stricter checks, etc.	1,00,000
		2,00,000

Diet charges under 21—Medical in several Hospitals.

In lakhs of rupees.

Names of Institutions	1938—39	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48 (Revised)	1948—49 (Budget)
1 Victoria Hospital ...	·42	·59	·88	1·08	1·39	·91	1·20	1·20
2 K. R. Hospital, Mysore ...	·22	·37	·74	·94	·85	·69	·75	·80
3 V. V. Hospital ...	·29	·50	·59	·73	·91	·63	·94	·90
4 Minto Hospital ...	·09	·11	·16	·27	·33	·40	·33	·35
5 Isolation Hospital, Bangalore	·12	·19	·23	·37	·35	·37	·34	·35
6 District Hospitals ...	·28	·52	·77	1·12	1·23	1·62	1·50	1·50
7 Sri Cheluvamba Hospital ...	·08	·26	·36	·45	·46	·38	·45	·45
8 K. G. F. Hospital ...	·03	·07	·09	·12	·15	·15	16	·16
9 P. K. T. Sanatorium, Mysore	·19	38	·61	·92	·78	·48	·90	1·00
10 Maternity Hospital, K.G.F.	·04	·08	·10	·18	·20	·28	·29	·29
11 Mental Hospital ...	·21	·33	·49	·51	·97	·94	1·20	1·00
12 Local Fund Dispensaries ...	...	·13	·16	·18	·11	·14	·19	·19
13 Maternity Hospital, Malleswaram.	...	...	...	...	...	·02	·04	·03
14 Cardiac Diseases Hospital, Bangalore.	...	...	...	...	...	...	·01	·01
15 Bowring Hospital ...	...	...	...	...	...	...	1·45	1·45
16 T. B. Sanatorium (Civil Station).	...	...	...	...	...	...	·17	·17
17 Gosha Hospital (Civil Station).	...	...	...	...	...	...	·06	·08
18 Isolation Hospital (Civil Station).	...	...	..	...	...	...	·08	.09
Total ...	1·97	3·53	5·18	6·87	7·73	7·01	10·06	10·09

VI—Department of Indian Medicine.

Constitution of the department.

This department was started in the year 1944-45 and the charges relating to this are included under "21—Medical." This consists of four sections, *viz.*, (1) Office of the Chairman of the Committee of Indian Medicine, Bangalore, (2) Sri Jayachamarajendra Institute of Indian Medicine, Bangalore, (3) Ayurvedic and Unani College and Dipensary, Mysore, and (4) Other Ayurvedic and Unani Hospitals. The following statement shows the details of expenditure from 1944-45 to 1948-49 (inclusive). The expenditure of the department which was Rs. 1·38 lakhs in 1944-45 has been budgetted at Rs. 3·31 lakhs which includes a lumpsum provision of one lakh for additional requirements under Sri Jayachamarajendra Institute of Indian Medicine.

In lakhs of rupees.

	1944-45	1945-46	1946-47	1947-48	1948-49
Department of Indian Medicine—					
(a) Office of the Chairman of the Committee of Indian Medicine, Bangalore.	·09	·06	.09	·10	·10
(b) Sri Jayachamarajendra Institute of Indian Medicine, Bangalore.	·78	·46	1·52	·91	2·07
(c) Ayurvedic and Unani College and Dispensary, Mysore.	·48	·61	·54	·45	·62
(d) Other Ayurvedic and Unani Hospitals.	·03	·66	·83	·53	·52
Total ...	1·38	1·79	2·48	1·99	3·31

2. Regarding economies in expenditure, the Chairman states that no economies are possible and it would take some time to assess the minimum requirements in staff and materials of this department. The following suggestions are however made. Economies in expenditure.

(i) The Secretary to Government, Education Department, is now the Chairman of this Committee and he gets an allowance of Rs. 50 for this work. He is not a technical man either. The need also to have an official Chairman and an office for him is not clear. It would perhaps be better if the Chairman and the Board are made advisory bodies as in other similar instances. The Chairman's Office now consists of a Steno-Typist and an Accounts Clerk and servants. These could hardly have full-time work. The Superintendent who is an inspecting officer, has also one Clerk and one Steno-Typist. Both these offices may be combined and staff reduced. Separate peon for the Chairman appear also unnecessary.

(ii) A lumpsum provision of one lakh of rupees has been made in the Budget for additional requirements. The details for this were called for and the information obtained is noted below:— Lumpsum provision need not be repeated.

Staff and equipment for treating 125 in-patients and 1,000 out-patients.

		Rs.
1	Purchase of furniture	6,940
2	Purchase of vessels	3,000
3	Purchase of cots and lockers	8,000
4	Purchase of instruments, appliances and other necessaries.	3,000
5	Bill for initial expenses for starting Anti-Malaria Health Centre at Chikkavaddara Gudi, Krishnarajanagar Taluk, Mysore District, received from the Managing Director, Abhaya Ayurvedic Researches, Ltd., Mysore.	2,500

			Rs.
6	Purchase of linen made in the year 1945	...	1,200
7	Staff (Additional)	...	10,000
8	Acquisition charges	...	15,000
9	Establishment of Central Pharmacy.— Non-recurring charges : Pharmacy equipment	...	50,000

No details for the additional establishment asked for costing Rs. 10,000 is furnished. As the funds are for additional requirements for the current year, the provision need not repeat.

I wish however to add in this connection that a considerable Revenue (at least half a lakh) could be earned by establishing a Central Pharmacy which would supply the requirements of all the Ayurvedic and Unani dispensaries in the State. The provision made in the current year should be availed of and the matter taken up in earnest. In fact this Section may be worked on a commercial basis just like the Industrial and Testing Laboratory, the Pharmacy being attached either to the institution at Mysore or Bangalore.

Unification of Control.

3. The bringing of the Ayurvedic and Unani Institution—College and Hospital—at Mysore (now under Muzrai management) under the same control as the institution at Bangalore and the bringing of the whole work relating to Indian Medicine under one agency needs also consideration.

Subvention to District Boards.

4. A sum of Rs. 50,000 is being given as subvention to the District Boards for running Ayurvedic and Unani Hospitals. It may be examined whether the entire provision need not be cut out and the District Boards asked to meet the charge themselves.

Retrenchment proposed are :—

			Rs.
1	Establishment	...	2,500
2	Lumpsum Grant	...	1,00,000
3	Subsidy to District Boards	...	50,000
		...	1,52,5,00

18 AND 22 - PUBLIC HEALTH.

Statistics of Receipts and Expenditure.

The activities of this department have expanded very considerably in recent years. The particulars regarding Receipts and Expenditure of the department since 1938-39 are noted below for purposes of comparison :—

In lakhs of rupees.

Minor Heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
Receipts.—											
1. Sale of vaccinated calves	·01	.02	·01	·01	·04	·06	·01	·01	·01	·03	·02
2. Sale of vaccine.	·30	·38	·40	·34	·40	·15	·27	·27	·08	...	·05
3. Other receipts.	·30	·30	·30	·29	·49	·24	·23	·18	·23	·22	·27
4. Deduct refunds.	·01	·02	·09	·01	·04	·05	·04	·06	·04	·09	·09
Total ..	·60	·68	·62	·63	·89	·40	·47	·40	·28	·16	·25
Expenditure.—											
1. Director of Health	·62	·57	·47	·34	·33	·25	·22	·20	·24	·21	·21
1A. Sanitary Inspector's Training Class.	·15	·17	·06	·02	·08	·01	·02	·03	·01	·02	·02
2 Public Health Institute.	·32	·28	·23	·27	·16	·23	·24	·22	·23	·23	·23
3. Vaccine Institute.	·29	·21	·22	·28	—·07	·18	·07	·12	·06	—·13	—·13
4. District charges.	7·99	7·33	5·13	5·18	3·77	2·36	2·21	1·73	1·29	1·26	1·11
5. Plague and other epidemic charges.	1·00	1·00	·98	1·39	·73	·75	·63	·67	·65	·33	·59
6. High price and dearness allowance.	2·04	...	...	...	...	...	...	...	...	...	...
7. For Development schemes.	12·00	·10	...	...	...	...	...	...	...	...	...
8. Deduct expenditure met from Spl. Reserve Fund.	...	·10	...	·25	...	...	...	...	...	...	...
Total ...	24·41	9·59	7·09	7·48	5·00	3·78	3·39	2·97	2·48	1·92	2·03

Expenditure.

It is seen that the expenditure has in the course of 10 years risen from about Rs. 2 lakhs in 1939-40 to Rs. 24·41 lakhs in the current year. It may, however, be noted that the provision made for 1948-49 includes a lumpsum of Rs. 12 lakhs for development schemes and a further sum of Rs. 2·04 lakhs on account of High Price and Dearness Allowance which in previous years (since 1941-42) was being shown under a separate head in the

Budget. Excluding these, the expenditure in 1948-49 would be about Rs. 10·37 lakhs. The largest increase is under District charges where the expenditure has risen from Rs. 1·11 lakhs in 1938-39 to Rs. 7·99 lakhs now. There are heavy increases under other heads also. An analysis of the items of expenditure in 1948-49 shows that the expenditure on Salaries (Rs. 1·21) and Establishment (Rs. 6·06) alone would amount to Rs. 7·27 lakhs or more than *three-fourths* of the whole expenditure.

4. The Director of Health is very emphatic that the present establishment is based on minimum needs and no reduction is possible. He, however, states "it looks as if the maximum that is possible is not being obtained from the staff. Greater efficiency could be obtained through better supervision and sterner enforcement of discipline which seems to be slowly on the decline in recent years, and through recruitment of better quality of personnel into the Services." He adds: "competitive examinations are suggested for this purpose, selections being made from people of different communities as per rules in their order of merit in the examination." He is also not in favour of slowing down the pace of further expansion.

Expansion of health services to be secured consistant with the need for economy.

5. Although the expansion of the Health Services in the State particularly in the Malnad and other malarial areas is urgent it is necessary that just as in the case of other development departments the strictest economies possible are enforced without however impairing the efficiency or the volume of the services rendered.

Common head of a Department for Medical and Public Health.

6. With regard to the question of having a common head for the Medical and Public Health departments, the Director of Health considers that this is very desirable "from the point of view of economy and co-operation and co-ordination and efficiency of services." I agree with him and suggest an unified head of department with two deputies for the two branches—medical and public health—under him so that there could be complete co-ordination at every stage in the work of these departments.

7. At present, in areas where there are Health Units, the Medical Department dispensaries that were already there have been taken over by the Health Department and integrated in its own organisation. These hospitals are now under the control of the Health Department, while the rest of the dispensaries in the same district still continue under the control of the District Medical Officer. So, in the same district, one set of

dispensaries are under the Health Department and another set under the Medical Department. This does not appear to be a satisfactory arrangement. With a common head of a department it would be easier to arrange for a unified control over all the dispensaries in a district so as to secure a greater common measure of efficiency.

8. *Gazetted Staff.*—Taking the organisation as it stands at present, it is observed that there is in the headquarter office a Deputy Director of Health as well as a Gazetted Personal Assistant, besides a Manager as the ministerial head. There are also other Officers at headquarters *e.g.*, Superintendent, Bureau of Education, Superintendent, Bureau of Epidemiology, Superintendent, Bureau of Malariology—as also a separate officer for Maternity and Child Welfare and another for Vital Statistics. Formerly, there was no Deputy Director and the Director had also no Gazetted Personal Assistant and the Bureau of Epidemiology and Malariology were under one officer. Under the present arrangement there seem to be too many officers at headquarters and it ought to be possible to secure a reduction in their number. The Deputy Director is stated to be in charge of work relating to all the Health Units. With a Deputy Director as well as other technical officers at headquarters, the necessity for a separate gazetted officer as Personal Assistant is not clear. The Superintendent, Bureau of Education can very well attend to the work of Personal Assistant also. The full-time Personal Assistant may therefore be retrenched. Similarly the two Bureaus of Epidemiology and Malariology be combined.

Malaria and Health Units.

9. In order to give increased attention to Public Health in rural areas, Health or Malaria Units are being started all over the State and particularly in the Malnad and other malarial areas. It is necessary to examine if these Units are not overstaffed. The way in which the provisions made for these are shown in the Budget is most confusing. These items should be re-classified and the Health Units classed as I and II Class according to their activities and a basic scale of establishment for them prescribed. Some Health Units have been provided with clerical assistance while for others there is none. Generally no clerical assistance at Health Unit level appears necessary. Clerks may be given only at District level. The Health Inspectors (Sanitary Inspectors) and

the Sub-Assistant Surgeons in charge of dispensaries may attend to all the clerical work in the afternoons as they are doing now).

I Grade Health Inspectors to be replaced by II Grade wherever possible, the number also reduced.

10. In order to secure economy in the expenditure of these Health Units, the First Grade Health Inspectors may be replaced by Second Grade ones wherever possible and the number in the First Grade correspondingly reduced. The number of second grade Health Assistant Inspectors now given appears also to be capable of reduction. This point requires examination. Owing to the large expansion of the activities of this department it is likely that many new and raw Second Class Health Inspectors will get promoted to the First Grade. A minimum period of service in the second grade should be prescribed before one is promoted to the first grade. Similarly the number of Fieldmen and other subordinate establishment should also be reduced. The jurisdiction of the Assistant Medical Officers of Health should be increased and their number reduced, while sanctioning basic scales for Health Units and prescribing the number for each district. The establishment for these Health Units may be employed as and when the work develops. To secure this and while making provision in the Budget for the full sanctioned scale a lumpsum cut may be effected and the expenditure restricted to the net grant thus allotted. Otherwise there will be large lapses each year and effective control over grants would also be difficult.

Office of the Chemical Examiner and Bacteriologist to be combined.

11. The offices of the Chemical Examiner and Bacteriologist appear to have been separated a few years back. Formerly, the Superintendent, Public Health Institute, was, I think in charge of the duties of the Chemical Examiner and Bacteriologist, and had no Gazetted Assistants. Now, there is a Chemical Examiner (on Rs. 550—850) with a Gazetted Assistant (on Rs. 200—600) and there is a separate Bacteriologist (on Rs. 200—500). In the interest of economy, these two sections may be again combined and placed in charge of one senior Gazetted Officer as before and the two other gazetted posts or at least one retrenched.

Probation rs taken when only according to availabilities of vacancies.

12. There are a number of posts of Health Probationers drawing a pay of Rs. 150 each. It is not clear what position these Officers occupy in the departmental organisation. The probationers should be absorbed in existing vacancies and the rest shown as Supernumeraries. The number of Probationers to be taken in future should depend on the vacancies available.

13. There is a gazetted post of Superintendent, Maternity and Child Welfare, and of a Nursing Superintendent on Rs. 150—5—200. Whether there is need for posts of this type at all is not clear. Maternity and Child Welfare work forms part of the work of the Rural Health Units and how one Officer at Headquarters could regulate the work which is under the control of officers of similar or higher rank is not clear. These posts may, I think, be abolished.

Post of Superintendent Maternity and Child Welfare may be abolished.

14. Under "Plague and other Epidemic charges", there is provision for two gazetted officers (one on Rs. 550—30—850) and (one on Rs. 200—10—300—20—500). The need for two officers is not clear. One of these, may be retrenched.

15. *Economies in Non-Gazetted Staff.*—From the particulars furnished by the Medical Officer of Health, Mandya Unit, Mandya, it is gathered that certain staff that had been sanctioned for the Nagenahalli Malaria Station has been utilised for other purposes (for work in Bureau of Malariology, Bangalore, etc.), and the Medical Officer has suggested the retrenchment of certain staff. Such diversion is irregular, and the staff so diverted should be immediately retrenched. The same officer has suggested the retrenchment of spraying staff sanctioned for Srirangapatam and Bandihole Health Units, as being in excess of requirements. A fresh and thorough review of the work of the various units will, I am sure, disclose other such instances of staff surplus to essential requirements, which could be retrenched or diverted to meet other sanctioned needs. An immediate examination appears necessary.

16. No details are furnished for the expenditure under Sanitary Inspectors' Training Classes. The expenditure which was Rs. 5,600 in 1946-47 has been placed at Rs. 15,000 for 1948-49. The reason for this is not clear. The expenditure may be reduced to Rs. 7,500.

Reduction in expenditure on Sanitary Inspectors' Training Class.

(*Note.*—The Director stated the expenditure was due to the stipends now being given a procedure necessitated by the want of candidates. He said he would work out a statement of Sanitary Inspectors required for the next few years and the economies that could be effected on the basis in running these classes).

17. Generally, considering the very large staff employed in the several sections and the possibility of effecting economy at least in several of them, a lumpsum saving of 12½ per cent over establishment is suggested.

18. In this connection, I may invite reference to the item of Rs. 42,000 shown as anticipated receipts from sale of Glycerine Vaccination Lymph during 1947-48 (as per Budget) being reduced to Rs. 6,000 under "Revised" of the same year. The reasons for this large difference between the original and revised estimates are not clear and it has to be pointed out that the departmental officers should make every effort to increase their receipts.

19. The grants under Travelling Allowance and Contingencies may also be generally curtailed by 12½ per cent.

20. *Improvement in Revenue.*—The income of the Department is from the following sources:—

.....	Accounts 1946-47	Revised 1947-48	Budget 1948-49
	Rs.	Rs.	Rs.
1. Sale of Vaccinated Calves	804	2,000	1,500
2. Sale of Vaccine	40,296	38,000	30,000
3. Other receipts*	30,139	30,000	30,000
Refunds	—8,950	2,000	1,500
Total ...	62,289	68,000	60,000

* Includes (i) fees from candidates for Sanitary Inspectors' Training.
(ii) fees for Bacteriological and other examinations, etc.

21. The Director says that the cost of production of small-pox vaccine is 5 annas for 10 cases, while Re. 1 is charged for 10 cases, and that it is not therefore necessary to increase the rate. The rates charged for anti-plague and T.A.B. Vaccines are stated to be on a par with rates charged in neighbouring Governments. The rates for pathological examinations are stated to have been fixed in 1939 and if necessary these rates may be enhanced in consultation with the Director. The rates of fees charged for the Sanitary Inspectors' Training may also be suitably enhanced, unless there is a dearth for students.

Levy of Public Health Cess.

22. *General.*—The intensification of the work of this department in rural areas at a heavy cost is going on and the charges to General Revenues on account of Public Health work is mounting. Formerly, the District Boards were meeting a portion of the cost of new Hospitals, the entire cost on account of midwives and charges on account of epidemics. With their very poor resources it is impossible to expect these District Boards to meet their portion of the expenditure in respect of these expansions. The levy of a Public Health Cess is one of several measures recommended by the Finance

and Co-ordination Committee for augmenting Revenues. We are being told that "Health is Wealth" and it is well-known that days lost to an earning member by ill-health is so much income lost to the family and of production to the State and therefore for securing better health and economic conditions, a small cess may not be grudged. The receipts from this cess should however be ear-marked and used only for extension for the benefits of public health and for provision of increased medical facilities, particularly to the Rural Population. I am aware that any suggestions for additional taxation of this type would be most unwelcome. But having regard to the limited resources at our disposal, if we are to finance schemes of a far reaching character and of vital importance, additions to taxation are inevitable and would I dare say be cheerfully borne when the people are satisfied that they are being administered for their own benefit and to their advantage.

Statement of savings in expenditure and increases in Revenue.

		Rs.
1.	Personal Assistant's post to be abolished ...	2,500
2.	Combining Bureau of Epidemiology and Malariology	6,000
3.	Combining Chemical Examiner and Bacteriologist ...	2,700
4.	Abolition of the post of Superintendent, Maternity and Child Welfare and Nursing Superintendent.	6,000
5.	Retrenching one of the Health Officers under 5 Plague etc.	3,600
6.	Savings of 12½ per cent on Establishment and by reduction of surplus Establishments.	75,000
7.	Reduction of posts of 1st Grade Sanitary Inspectors—Details of establishment not available.	...
8.	Reduction of Provision for Sanitary Inspectors' Classes	7,500
9.	Reduction of Grants under Travelling Allowance and Contingencies.	30,000
	Total ...	1,33,300

Increase in Revenue.

	Rupees in lakhs.
Increasing rates for Pathological Examination and fees for Sanitary Inspector's classes.	0·30
Levy of Public Health cess on all the Principal items of Revenue including Income-tax.	22·00
Total ...	22·30

23. IRRIGATION.

Irrigation Schemes. Expenditure.

All our irrigation schemes except those debitable to capital (not met from Revenue) are being financed from the Irrigation Development Fund. This Fund was formed in 1938-39 with an initial contribution of Rs. 8 lakhs from Special Reserve for non recurring expenditure and supplemented by the transfer of a sum of Rs. 20 lakhs from the Famine Insurance Fund and was intended to finance new irrigation works of magnitude. It was augmented in succeeding years by substantial contributions from the Revenue account. From 1943-44 onwards all expenditure in excess of Rs. 12 lakhs under "23 Irrigation" was to be debited to this Fund (*vide* Financial Secretary's Memorandum of 1948-49, p. 46). Actually however the expenditure borne by General Revenues has been more as could be seen from the Statement annexed. The sum of Rs. 12 lakhs fixed as the expenditure chargeable to the General Budget, it may be noted is just enough to meet the following annual expenditure:—

	Rs. in lakhs.
Repairs	2·5
Grants-in-aid to Irrigation Cess Fund ...	3·78
Establishment	5·78

A statement showing the credits and debits to the Fund during the last 10 years and the expenditure on "23 Irrigation Works" is annexed.

2. The works attended to by this department apart from the Capital Works for which separate establishment debitable to the Works is sanctioned, consist of—

1. Original Works—major
2. Do minor
3. Restoration of Minor tanks
4. Improvement of Minor tanks
5. Repairs
6. Irrigation Cess Fund Works.

A statement showing the outlay on these during the last ten years is enclosed.

No need for a full-time Irrigation Staff in Districts.

3. The administrative arrangements for the execution of these irrigation works has varied from time to time and at present moment we have a Chief Engineer for Irrigation, a Superintending Engineer and 6 Divisions in charge of Executive Engineers, each division having two to four Sub-Divisions, 12 Ranges for Minor Tanks Restoration Works and Project Sub-Divisions such as—

Parasurampur Tank	Muthakadur Project,
Irksandra Tank	Nelligudda Tank, etc.

This excludes the establishment for capital works such as Lakkavalli or Jog. The normal Public Works Divisions with their Sub-Divisions and Ranges also function side by side and there is therefore a certain extent of overlapping and duplication of establishment. I have accordingly suggested in my Note under "24 Civil Works establishment," that we may do away with this system of having a duplicate irrigation establishment except for special work or works of a capital nature where the outlay involved justifies the creation of a separate Division, Range or Sub-Division. The staff for Irrigation and other Civil Works may be combined, the jurisdiction of the Assistant Engineer, Sub-Engineer, Overseer and Sub-Overseer being reduced so that they could attend to *all* the works in their area including Rural Reconstruction, thus avoiding separate Engineering establishment for various purposes. Pending orders on the proposed amalgamation the number of officers and subordinates in this department is too many and a 20 per cent reduction in Officers and 33⅓ per cent reduction in the subordinates appears possible. Again the outlay in some of these Minor Tank Sub-Divisions and Project Sub-Divisions is disproportionately small to the establishment taking into consideration also the fact that the work is concentrated in one place. The establishment is therefore top-heavy.

Economies in staff in capital scheme also possible. Staff to be fixed on the Progress of work anticipated.

4. Similarly even in respect of the capital works such as Nugu, Thunga Anicut and Lakkavalli Project Divisions, the establishment appears to be excessive. It appears therefore necessary that the progress of work to be secured monthly by the Executive Subordinates and Officers should be fixed and the scale of establishment determined on the basis of the progress to be secured. For example, it was found recently that in the Jog Project there was practically no work for a Superintending Engineer and an Executive Engineer at Hirebhasgar and for the large establishment sanctioned thereto and that a good bit of it could be retrenched. Accordingly the reduction of establishment there and the combination of the post of the Superintending Engineer, Jog, with that of Lakkavalli has separately been suggested. If therefore certain working rules regarding progress to be secured are fixed, excess establishments could automatically be cut down. I think that ordinarily an Assistant Engineer should give a progress of not less than 5 lakhs of rupees per annum and a Sub-Overseer, 60,000 to 80,000 rupees per annum. With the present inflated rates which are over

200 to 300 per cent, the above progress in quantities of work would not be much at all. With this outlay as the yard-stick it will be found that the existing staff is far too much.

Bhadra Reservoir Economies in Establishment.

5. For the Bhadra Reservoir Committee, there are

Two Assistant Engineers,
Two Assistant Commissioners,
Two Health Officers,
Two Assistant Directors of Agriculture.

One officer of each class would be more than required for the work involved there for both the Committees and moreover this would secure uniformity which two sets of officers would not secure. There should also be a time limit set for work so that this establishment need not go on leisurely attending to items of work they need not do.

Levy of acreage cess for maintaining tanks.

6. As regards Nala establishment, the maintenance charges of Tanks and Channels should, I think, be met from an Acreage Cess to be collected from the raiyats and should not be a charge on Revenue. This is a point to be looked into.

7. In my Note under Civil Works, I have explained that the grants under Civil Works should be regulated by the availability of finance. Among Civil Works, Irrigation Works have a high priority especially as we are short of foodgrains and great difficulty is being experienced in securing our requirements even at exhorbitant prices involving heavy subsidies. In suggesting reductions in the grants under Irrigation, I need hardly add that I have kept all these considerations in mind.

The following reductions are suggested :—

	Rupees in lakhs.
The provision of Rs. 8 lakhs for Nugu Reservoir is to be made under "Capital" and therefore may be deleted from this head .	8·00
The normal grants under Original Works may be reduced by Rs. 10 lakhs the grant being kept at about Rs. 15 lakhs ...	10·00
The grant under Restoration of Minor Tanks may be reduced to Rs. 10 lakhs thus showing a reduction of	5·00
The grant under Repairs may be reduced by ...	0·50
Total ...	23·50

The net grant may thus be reduced to Rs. 38·95 lakhs which is about the amount actually incurred in 1946-47 and compares very favourably with the grant of Rs. 14·34 lakhs in 1938-39 and Rs. 21·18 lakhs in 1939-40.

With these reductions, some reductions under establishment also would be possible thus increasing the appropriation available for Works.

Irrigation Development Fund.

(Rupees in lakhs.)

...	1939-40	1940-41	1941-42	1942-43	1943-44
1	2	3	4	5	6
Opening Balance ...	6·92	23·26	29·48	41·20	56·73
RECEIPTS.					
Transfer from the Reserve ...	20·00	...	...	...	...
Contribution from Revenue account.	3·85	20·34	44·99	40·00	50·00
Acreage contribution ...	·76	·84	1·05	2·28	2·08
Total ...	31·53	44·44	75·52	83·48	108·81
EXPENDITURE.					
Outlay on Works ...	8·27	14·96	34·32	26·75	11·07
Closing Balance ...	...	...	...	...	...

...	1944-45]	1945-46	1946-47	1947-48 (Revised)	1948-49 (Budget)
	7	8	9	10	11
Opening Balance ...	97·74	134·10	149·12	162·07	138·90
RECEIPTS.					
Transfer from the Reserve ...	...	...	...	...	...
Contribution from Revenue account.	50·00	35·00	40·00	15·00	15·00
Acreage contribution ...	1·31	1·41	1·35	1·00	1·00
Total ...	149·05	170·51	190·47	178·07	154·90
EXPENDITURE.					
Outlay on Works ...	14·95	21·39	28·40	39·17	40·45
Closing Balance ...	...	...	...	...	...

Statement of Expenditure under 23—Irrigation.

(Rupees in lakhs.)

Minor Heads	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44
1	2	3	4	5	6	7
1. Original Works—Major ...	14·15	19·25	18·44	15·93	16·73	13 29
2. Do Minor ...	·51	·64	·75	·75	·53	·69
3. Restoration of Minor Tanks...	1·26	1·70	2·12	2·10	1·40	1·48
3-A. Improvements to Minor Tanks.	...	·10	·11	·14	·18	·07
4. Repairs	2·89	2·46	1·42	1·15	1·17	1·66
4-A. Grant-in-aid to Irrigation Cess Fund.	...	...	1·66	4·34	3·00	3·00
5. Establishment ...	2·21	2·43	2·56	3·38	2·60	2·77
6. Tools and Plant ...	·03	·03	·01	·02	·02	·06
7. Suspense ..	·30	—·27	·59	...	—·03	—·05
8 High Price Allowance ...	...	...	...	...	...	...
9. Development Schemes ...	...	...	...	...	...	...
10. Deduct Expenditure met from the Special Reserve Fund and Capital.	5·86	7·01	5·18	...	...	...
Total ...	13·49	19·33	21·98	27·81	25·55	23·07

Minor Heads	1944-45	1945-46	1946-47	1947-48 (Revised)	1948-49 (Budget)
	8	9	10	11	12
1. Original Works—Major ...	14·80	19·75	23·70	33·26	32·93
2. Do Minor ...	·71	·88	1·18	1·50	1·50
3. Restoration of Minor Tanks ..	2·98	4·08	5·61	5·00	15·00
3-A. Improvements to Minor Tanks.	·25	·27	·45	·47	·48
4. Repairs	2·71	1·75	2·14	2·50	2·50
4-A. Grant-in-aid to Irrigation Cess Fund.	3·00	3·52	3·00	3·00	3·00
5. Establishment ...	2·62	2·81	4·18	5·25	5·78
6 Tools and Plant ...	·06	·04	·16	·20	·20
7. Suspense	—·23	·19	—·05	...	...
8. High Price Allowance ...	...	...	...	...	1·06
9. Development Schemes ...	...	...	...	3·07	...
10 Deduct Expenditure met from the Special Reserve Fund and Capital.	...	...	...	3·07	...
Total ...	26·90	33·29	40·37	51·18	62·45

Lift Irrigation.

Sanctioned Staff.

There is a Special Officer for Lift Irrigation in the Public Works Department with headquarters at Bangalore, working directly under the Chief Engineer for Irrigation. The post is held by an officer of the status of an Assistant Engineer, with the undermentioned staff:—

One Surveyor,
One Pump Driver,
Two Clerks,
Three Peons.

The need for such a special appointment at Headquarters with jurisdiction all over the State not being apparent, the Chief Engineer for Irrigation was requested to furnish information regarding the nature and extent of the work turned out by this Officer, and the amount of expenditure incurred on Travelling Allowance, etc.

2. It is seen from the reply received that the duties performed by this officer are only in the nature of Liaison work and his activities are limited to giving technical advice on matters in respect of which the local Public Works Officers may as well be expected to be more competent to advise. Further a junior officer touring all over the State cannot be expected to do much by himself in tackling this problem effectively, and the work done by this officer does not seem to be commensurate with the expenditure incurred in this behalf.

The work may be entrusted to the Rural Development Department.

3. Now that the Rural Development Department has been re-organised, there seems to be hardly any need for a separate officer of this type working directly under the Chief Engineer. The work relating to the grant of subsidies for irrigation wells and their proper utilisation may with advantage be looked after by the Commissioner for Rural Development with the assistance of the District and Taluk Development Committees concerned. The development of small scale Lift Irrigation may be appropriately entrusted to the Agricultural Department which is in charge of the Grow More Food Campaign and has also a separate Engineering Establishment. Projects involving irrigation of over 50 acres by Lift irrigation with pumps put up at Government cost may continue to be executed by the Irrigation Department. With the redistribution of work the Lift Irrigation Officer and staff becomes superfluous. The present Lift Irrigation Sub-Committee which is a Sub-Committee of the Policy Committee for Public Works and Transport, may be re-organised and continued as a Sub-Committee of the Policy Committee for Agriculture since Lift Irrigation propaganda and development forms part of the drive for growing more food.

4. It is understood that proposals have been submitted to Government for the formation of a Lift Irrigation Division. In the circumstances mentioned above, this proposal may, I think, be dropped, and the post of Special Officer for Lift Irrigation and the establishment working under him abolished. This will

immediately result in a savings of Rs. 8,400 per annum as per provision made in the Budget for 1948-49;

			Rs.
Salaries	...	...	4,920
Establishment	...	...	2,680
T. A. and Contingencies	...	...	800
	Total	...	8,400

24. Civil Works and 24A. Communications.

The Retrenchment Committee of 1931 observed that "Expenditure on Public Works is expenditure which is optional in character in the sense that it may be increased or diminished according to the Resources available." Naturally therefore when the Revenue position is not good it is to this grant one looks to, for reductions for balancing the Budget.

Expenditure on Public Works on the availability of resources.

2. There are four principal Budget heads under which, the charges relating to the Public Works Department are recorded *viz.*, 23-Irrigation, 24-Civil Works, 24A-Communications and 26-Education. Latterly the expenditure on Buildings in the Medical and Police Budgets are also being transferred to the respective departments. In addition, the department also deals with works relating to water supply, drainage and sanitation and Civil Works of magnitude relating to Local Bodies. In determining the staff necessary for the department all these would have to be taken under consideration. A statement showing the expenditure under the several heads since 1938-39 is enclosed. It will be seen therefrom that the expenditure including Irrigation (but excluding Capital) has increased from Rs. 81·28 lakhs in 1938-39 to Rs. 228·50 lakhs in 48-49 (Budget). The expenditure on establishment has also increased during this period from Rs. 10·75 lakhs to Rs. 16·08 lakhs in 1947-48 and is budgetted for Rs. 27·92 lakhs in 1948-49. While the increase under Salaries and Establishment is partly due to Revision of Scales of Pay, and partly to Dearness Allowance, and to increase in numbers, the increase in the expenditure on Works is perhaps mainly due to the increase in rates which are 200 to 300 per cent of the original rates.

Present Expenditure on Public Works.

3. The large increase in the number of works at a time when construction materials are scarce, itself contributes to increase in rates and thus to the increased cost of "Civil Works" and it is therefore essential during such periods that the works outlay should be limited to the minimum necessary in order to avoid inflated costs.

Need for limiting Expenditure.

4. During the period in question, there has also been a considerable increase in the number of officers and officials both Executive and Ministerial. This department which was formerly under one Chief Engineer has been

Increase in Staff.

bifurcated, there being one Chief Engineer for Irrigation, and another for Roads and Buildings. There are in addition six Circles of administration as noted below including two Circles for the Capital works at Jog and Lakkavalli.

1. Mysore,	4. Irrigation,
2. Tumkur,	5. Lakkavalli and
3. Shimoga,	6. Jog.

Similarly at the District level, there is the Executive Engineer with his large staff of Assistant Engineers, Surveyors, Overseers, Sub-Overseers and Maistries, and side by side with this there are Executive Engineers, Assistant Engineers, etc., for Roads and Buildings, for Irrigation Works, and for Water Supply and Sanitary Works. The Capital Works at Jog and Lakkavalli have their own heirarchy of officers. In addition to this, several spending departments have *their own* separate Engineering Establishment. With such multiplicity of establishments, there is bound to be considerable overlapping of work and surplus staff could be dispensed with if a more rational distribution of work could be possible. The re-organisation of the department so as to avoid overlapping of services and also to effect economies in expenditure on Establishment, etc., appears therefore to be an immediate necessity both in view of the need for Economy and to avoid overstaffing which in itself is undesirable.

5. Regarding economy in expenditure, the Chief Engineer states that the formation of a new Circle at Tumkur is itself evidence of the increase in work in this department and that no economies are possible. This cannot be accepted. The following statement shows the establishment in 1938-39 and now.—

	1938-39.	*1948-49.*
Gazetted.—		
Chief Engineers ...	1	2
Superintending Engineers ...	2+ 1 Tempy.	3+ 3 Tempy.
Secretary, P.W.D. ...	...	1
Executive Engineers ...	12+ 6 „	16+ 9 „
Asst. Engineers ...	46+22 „	63+58 „
Hon. Assistant Engineers ...	4 (Counted against the scale of Sub-Engineers).	4
Government Architect ...	1	1
Asst. Architect ...	1	1
Probationary Asst. Engineer...	...	1

Non-Gazetted.—	1938-39	1948-49
Sub-Engineers	... 30	11
Overseers	... 65	81
Surveyors	... 474	240
Sub-Overseers	...	649
Other executive, ministerial and menial establishments.	1328	1903

6. The strength of the Executive and Ministerial establishment in a department like this varies with the extent of the Works and the number would necessarily be large when the number of works are large and more so if they are scattered. The number would also be large where the Works are undertaken "departmentally" and not let out on contract. It is for this reason that in this department, a good number of officers and staff are borne for years on a "Temporary" basis, there being a basic permanent, scale having reference to the basic needs of the department and a temporary scale fluctuating with the volume of work undertaken. But there should always be a reasonable proportion between the Works outlay and Establishment and the Retrenchment Committee of 1931 proposed that this should be brought down to 20 per cent from 34 per cent, which was the percentage at that time. If it is conceded that the cost of Works has exceeded by over 200 percent as compared to 38-39 it is obvious by a comparison of the outlay in 38-39 and now that the department is overstaffed.

Post of two Chief Engineers may be combined.

7. Economies in this department should be two-fold.—

(i) reduction in the volume of works undertaken, and

(ii) reduction in the number of executive and ministerial staff employed.

Taking up in the first instance, the possibilities for economising in the number of officers and establishment in a small State like ours, there is no need to have two Chief Engineers at all. This has all the inconvenience of dual control without any counterveiling advantage. We were managing quite well till recently with only one Chief Engineer with suitable other officers to assist him and especially when we cannot afford that luxury there is no need to duplicate the staff. One Chief Engineer assisted by a Deputy Chief Engineer for Irrigation and an Office Assistant of the grade of an Assistant Engineer ought to be quite enough.

Abolition of Posts of Superintending Engineers.

8. Regarding Superintending Engineers, these posts have been abolished and revived more than once, and now

there are no less than six Officers of this status. There is a considerable body of opinion that such intermediary posts are unnecessary. Three members of the Retrenchment Committee of 1931 two of whom are now Ministers were for the abolition of these posts. At a time, therefore, when urgent economies are indicated, there is no need to continue these posts, the need for which is not clearly established. The posts of the three Superintending Engineers of Circles may therefore be abolished. Similarly with a Deputy Chief Engineer for Irrigation and with Irrigation and other Public Works combined at all stages there would be no need for a separate Superintending Engineer for Irrigation. This post also may be abolished. With most of the Civil Engineering Works in the Jog Circle completed, there is no work for a full time Superintending Engineer at Jog. The abolition of Jog Circle Office and other economies in the Divisions and Sub-Divisions, there have already been proposed in my Note No. 958, dated 22nd December 1948, submitted separately to Government. A separate Superintending Engineer for Jog being unnecessary, this post may be combined with that of the Superintending Engineer, Lakkavalli, more powers being delegated to the Superintending Engineer so as to avoid unnecessary references to the Chief Office. Thus, out of 6 posts of Superintending Engineers, one post of Deputy Chief Engineer, may be created and the post of Superintending Engineer, Lakkavalli Reservoir continued, all the other posts being abolished.

Amalgamation of Civil, Water Supply, Sanitary and Irrigation Engineers at District and Lower levels.

9. With regard to the Districts, the work carried out in several branches of Civil Works, such as Water Supply, Sanitation, Irrigation and Minor Tank Restoration, may also be entrusted to the Executive Engineers of the concerned Districts abolishing separate offices for these, wherever they exist. This may be done also at Sub-Division level, the number of Sub-Divisions being increased, each Taluk being converted into a Public Works Sub-Division. There may thus be only one Division for each District dealing with all Civil Works including Irrigation, Water Supply, Sanitation and Drainage, etc., one Sub-Division for each Taluk and one Sub-Overseer or Surveyor and more, where necessary for each Hobli. All the works in the jurisdiction of these officers whether they are Roads or Buildings, Irrigation or Water Supply, should be got done by this staff, thus avoiding several officers of the same status having

co-extensive jurisdiction in the same area. In practice such duplication of officers leads to many anomalies one of which is perhaps the increase in rates due to each one of these officers trying to "woo" the few available contractors and men by each one offering higher rates than his collegue in the other Branch.

10. Such a procedure would also have very great advantages by concentrating the works in a Taluk in the hands of one P.W. Gazetted Officer. The Government has undertaken large Rural Development programmes including Minor Tank Restoration Schemes, Improvement of Roads and Construction of Inter-village Roads, Sinking of Wells, Construction of Buildings, etc., and by having one Assistant Engineer for each Taluk with a suitable staff, he could concentrate on these works and the intimate local knowledge, he would acquire and his contact with the local people would enable him to get these works executed expeditiously, economically and efficiently through the local people whose active assistance and co-operation would be forthcoming in an abundant measure when the Engineer lives in their midst.

11. With regard to special schemes such as Tank Works, when these are not large enough to be constituted into a special division under an Executive Engineer or a Range under a Range officer, the works may be under the Taluk Engineer and a graduate Surveyor or Sub-Engineer may be placed in direct charge of the Works. If necessary, a new scale of "Sub-Engineers" *i.e.*, "Junior Gazetted Officers" who can work under the Assistant Engineers and be in charge of such Works for account purposes may be created for this purpose.

No separate P.W. Establishments to be given to other Departments.

12. The Rural Development Department wants, I believe, a Sub-Overseer for each Hobli and my own view is that instead of a Sub-Overseer being given for the Rural Development Department, the Public Works Department may have on Sub-Overseer or more if the work needs it, for a Hobli and the Public Works Department itself may attend to the requirements of all other departments in that area. As the Assistant Engineer would be a member of the Taluk Development Committee such an arrangement will also make better planning and progress possible. Thus for the execution of all "Civil Works," there may be one Executive Engineer for each District, one Assistant Engineer for each Taluk, one or more Sub-Engineers with special staff in respect of individual large works but working under the Assistant

Engineer and ordinarily one or more Sub-Overseers for each Hobli. Perhaps all this will throw additional work on the Executive Engineer who may require a Technical Assistant to assist him. This would have to be sanctioned. If this is approved, I think considerable economy could be secured, in expenditure on salaries, establishment and Travelling Allowance in this department and better progress with more intensive supervision incidentally could be also secured.

Work of large magnitude may have separate staff where necessary.

13. Of course, if there are works of large magnitude in any area requiring the sole attention of an officer of the status of an Assistant Engineer, and he being exclusively put on the job, a separate Sub-Division may be created. Similarly, if the status of the officer required is that of an Executive Engineer, a separate Division may be formed. but ordinarily, such instances would be rare. In sanctioning establishments, it should also be seen that the staff has some relation to the outlay. It may be prescribed that a Sub-Overseer would have to give a progress of 60 to 80 thousand rupees per annum and an Assistant Engineer of Rs. 5 lakhs per annum and an Executive Engineer at least Rs. 10 to 15 lakhs per annum and no special Sub-Divisions or Divisions formed, unless the annual outlay could be of these dimensions. Many of the Engineering Officers and particularly those in the Irrigation Section and on special works could certainly attend to more work than they are doing at present, and it is necessary to see that in these days where the want of technical personnel is keenly felt, full use is made of the personnel available.

Architect may be of the grade of Executive Engineer. The place of Assistant Architect may be abolished.

14. There is a separate post of Government Architect who is assisted by an Assistant Architect and there is also a Consulting Architect. It is a point for consideration if there appears to be need to have an Architect of the status of a Superintending Engineer at all. There is no need for this and at best, this work may be attended to by an officer of the status of an Executive Engineer, working under the Chief Engineer and in his office. There is no need also for an Assistant Architect nor for the large establishment given to him.

15. There are 11 Sub-Engineers in the Department. The need for the creation of an intermediary post of Sub-Engineer between Surveyors and Assistant Engineers who could be placed in charge of large works in a taluk may be considered and the cadre suitably revised.

16. Re: *Establishment.*—In addition to the sectional Superintendents, there are two posts of Managers in the Chief Engineer's Office. These are superfluous and may be abolished. There is also no need for Head Clerks in the Offices of Executive Engineers in addition to the Managers. In respect of other establishments also considerable economy is possible but in the absence of details, no definite proposals can be made. I found considerable superfluous establishment both clerical and executive in the several divisions at Jog. Pending examination of the actual requirements of each Division, a reduction of 12½ per cent in the existing establishment is suggested. Economies in Ministerial Establishment.

17. *Conveyance Allowance.*—When an Officer has a large amount of travelling at or within a short distance from headquarters for which Travelling Allowance is inadmissible, this allowance is granted. Irrespective of the fact whether this condition is fulfilled or not, Conveyance Allowance is now being granted to officers whose duties are confined only to works at particular places. In the case of officers stationed at the work spots like Jog and Lakkavalli Projects, there is no justification to give them C. A.

18. In the case of lower subordinates, the rate of allowance (Rs. 15 per mensem) granted is, that admissible for maintenance of ponies. It is doubtful if any subordinate maintains a pony, although it is understood from the Comptroller that the usual certificate for maintenance of ponies is being obtained. In any event as ponies are not required for this work and bicycles are enough, the Conveyance Allowance may be reduced to Rs. 7-8-0.

19. Re: *Grants for Works.*—I have already referred to the fact that one of the methods of budgetary equilibrium would be by curtailing works outlay. The provision in the current year for original works is Rs. 17·57 lakhs. This excludes the provision of Rs. 7 lakhs for Police Buildings and Rs. 8·05 lakhs for Medical Buildings. There is in addition a provision of Rs. 23·04 lakhs under Educational Buildings and Rs. 11 lakhs under Military including Palace Military which do not come into this Budget at all. As far as the provision for departmental buildings are concerned, I have dealt with them while examining the concerned Budgets. Reduction in grants for works.

20. Apart from reductions in these special grants, the grant for original works itself may be cut down to Rs. 12 lakhs and of repairs to Rs. 2·5 lakhs, thus securing a saving of Rs. 6·5 lakhs. The Comptroller has reported that in the case of some buildings, special repair grants are largely exceeded. Such excesses should not be permitted.

No lumpsum allotment to be provided.

21. I must, however, refer to the present practice of providing lumpsum grants for buildings in departmental Budgets. There is a lumpsum provision of Rs. 5·71 lakhs under Police and Rs. 2·34 lakhs under Medical. Similarly, there is a lumpsum provision to the extent of Rs. 4 lakhs under Education. Such provision should be avoided and no amounts allotted unless there is a programme for the execution of the works and the estimates are ready.

22. The charges under Travellers' Bungalow may be cut down to Rs. 80,000 (the receipts are only about Rs. 20,000).

23. Similarly under Roads and Bridges, at present, in addition to a contribution of Rs. 17 lakhs from General Revenues, the entire receipts from Roads, Bridges, Motor Licence Fees, Mileage Cess, Share of Petrol Tax and Miscellaneous fees are all appropriated for expenditure on communication and we are now spending Rs. 59 lakhs against an average of Rs. 28 lakhs we were spending formerly. In view of the imperative need for economy, the grants under this may also be reduced. The following reductions are suggested.—

	Rs. *In lakhs.*
Roads Original ... ... (by omission of lumpsum grant	6·41
Tarring certain portions of Bangalore—Tumkur, Chitaldrug-Harihar and other Roads ... ... (As the estimate has been exceeded already, it is presumed that no further grants would be required).	6·00
Cement-concreting of Roads	1·00
Repairs.—	
Ordinary	3·00
Special	5·00
Bridges	2·00
Total ...	23·00

24. The grant under Repairs has to be reduced by reduction of the mileage grants for ordinary repairs and the grants for special repairs. Some roads have been tarred and some concreted. It seems to be necessary especially in the case of concreted roads to examine what reductions in the maintenance grants are possible. A further search for gravel and metal quarries so as to avoid long leads may also result in effective savings in maintenance costs.

Revision of scales of maintenance grants for Roads.

25. *Retrenchments* proposed are as under :—

24. Civil Works.

		Rs.
1	Abolition of the posts of.—	
	1 Chief Engineer	16,800
	1 Personal Asst. to the Chief Engineer	3,000
	1 Technical Asst. to the Chief Engineer	3,000
	1 Asst. Architect	3,000
	Reducing the status of Government Architect ...	6,000
	Total ...	31,800
	Deduct the cost of creation of the post of a Deputy Chief Engineer	9,600
	Total ...	22,200
2	Abolition of 5 Circles of Superintendence	1,10,030
3	Abolition of the posts of 2 Managers of Chief Engineer's Office	4,080
4	12½ per cent cut in the Establishment other than the above	1,57,648
5	Dearness and High Price Allowance	52,075
6	Travelling Allowance and Contingencies	15,000
7	Grants for Works	6,89,000
	Total ...	10,50,033

24-A. Communications.

	Grant for Works	23,00,000

Statement of Expenditure on Works in the Public Works Department.

(Rs. in lakhs)

Sl. No. and Head of Account	38-39	39-40	40-41	41-42	42-43	43-44
1	2	3	4	5	6	7
1 Krishnarajasagar Works (Revenue).	2·09	2·10	2·51	2·32	2·21	2·60
2 Chamarajasagara and Water Works (Revenue).	5·11	6·86	5·11	5·70	7·78	9·00
3 Irrigation Works charged to Revenue.	18·82	18·74	22·83	25·29	18·52	17·18
4 Civil Works ...	12·22	16·94	10·40	8·82	6·91	11 38
5 Communications ...	23·37	32·61	22·53	13·59	11·74	21·10
6 Education Buildings ...	2·56	2·25	2·06	2·60	2·42	6·40
7 Agriculture ...	0·15	0·05	0·15	0·21	0·18	0·08
8 Military Works ...	·75	1·29	1·35	1·33	1·90	1·83
9 Krishnarajasagara and Allied Works (Capital).	11·61	12·18	11·40	9·29	10·67	10·81
10 Irrigation Cess Fund ...	3·47	4·00	4·24	4·86	6·08	6·99
11 University Fund ...	1·33	2·68	1·77	0·76	0·90	0·61
12 Objection Book Advances ..	7·53	6·91	8·28	8·22	6·04	3·60
13 Contribution Work ..	3·88	4·99	4·94	5·08	2·12	1·25
Total ...	92 89	111·60	97·57	91·07	77·77	93·03

Sl. No. and Head of Account	44-45	45-46	46-47	47-48	48-49
	8	9	10	11	12
1 Krishnarajasagar Works (Revenue).	3·27	3·05	3·77	3·83	6·45
2 Chamarajasagara and Water Works (Revenue).	9·11	9·56	10·07	8·56	12·10
3 Irrigation Works charged to Revenue.	21·45	26·73	25·83	38·32	62·45
4 Civil Works ...	13·66	17·50	23·43	27·84	29·33
5 Communications ...	41·20	51·55	29·73	36·52	58·94
6 Education Buildings ...	5·57	7·75	4·59	9·75	19·04
7 Agriculture ...	0·16	0·03	0·11	0·16	...
8 Military Works ...	6·49	4·95	3·27	7·33	8·99
9 Krishnarajasagara and Allied Works (Capital).	8·63	10·75	8·84	11·80	15·75
10 Irrigation Cess Fund ...	7.40	9·72	7·63	10·75	8·20
11 University Fund ...	1·19	3·10	2·60	3·29	4·50
12 Objection Book Advances ...	11·87	10·64	6·70	4·80	15·50
13 Contribution Works ...	4·34	7 68	3·18	3·72	3·00
Total ...	133·89	163·01	129·80	166·67	244·25

25. Economic Conference.

Set up of the Conference.

The Mysore Economic Conference inaugurated as far back as 1911 by His late Highness which had done a good deal to develop public life in the State and shaped the policies and programmes of Government; the present industrial and economic development of the State being in no small measure due to the activities of the Conference had to be kept in abeyance owing to financial stringency. This was, however, revived in 1943 with a view to providing a regular machinery for consulting informed non-official public opinion on matters of Economic Importance and for the preparation of postwar reconstruction plans suited to the needs of the State and was further reconstituted in 1945 with six Policy Committees for (1) Industries and Commerce, (2) Education, (3) Agriculture, (4) Sericulture, (5) Public Health, (6) Public Works, Transport and Power and a Committee for Co-ordination and Finance, the latter being constituted specially to deal with the financial aspect of the schemes formulated by the several Policy Committees and to suggest ways and means for finding the necessary funds. Now that most of the work entrusted to these Committees had been completed, the Commissioner of Economic Development and Planning was requested to state what economies were possible. From the replies furnished by the Commissioner it is seen that the duties now entrusted to him do not appear to require a full-time officer. Orders of Government have been passed on many of the schemes included in the five-year plan. The orders of Government on the rest of the schemes are awaited and full notes regarding these are stated to have been placed before Government.

Duties of the Commissioner.

2. The work of the Commissioner at present is mainly:—

(1) Watching the execution of sanctioned schemes and submitting Quarterly Progress Reports to Government with the review thereon;

(2) Preparation of new schemes, if any, in consultation with Heads of Departments and after placing them before the Policy Committees sending them up to Government;

(3) Dealing similarly with schemes sent by Heads of Departments or members of the Policy Committees;

and (4) Attending generally to the functions of these Committees.

3. Regarding (1), the Commissioner states that he is getting these reports, reviewing them and submitting the same to Government and that as he has not been specifically empowered to actually *see* these schemes in

execution and as the heads of departments are responsible for the execution of the schemes, his reviews are based only on the reports received from time to time.

Regarding (2), *viz.*, the preparation of new schemes in consultation with heads of departments, the Commissioner has given details of the work done by his office. Forty-three schemes in all have been sent by him to various Committees for consideration.

Regarding (3), as Heads of Departments are not required to send any new schemes, or proposals for modification of sanctioned schemes already put up, through the Commissioner (*vide* General Secretary's letter No. S.R. 1498—E.C. 11-47-2, dated the 10th November 1947, there does not appear much work to be done by his office in this matter. On the other hand, neither the Commissioner nor the Policy Committees would often be aware of schemes not included in the five-year plan or of modification of schemes already sent up under the consideration of Government.

Re-organisation of the Economic Conference and reduction in staff.

4. The Commissioner states that in view of the fact that the work now on hand may not require all the agencies that had been created when the five-year plans were first drawn up proposals for the reorganisation of the Economic Conference and its constituent bodies have already been submitted to Government. In the reorganisation suggested, the number of Policy Committees is proposed to be reduced to 3, the Committees being *Ad-hoc* Committees of the main Economic Conference. It has also been proposed that Ministers may be the Chairmen as at present, as this would ensure better response on the part of the departmental officers and quicker and more effective disposal of work by the Committees. Government would also be in more direct touch with the problems dealt with by the Committees, and it would also facilitate early disposal by Government of the proposals sent up by the Committees.

5. As even with the revised constitution there would not be need for a full-time Commissioner for Economic Development and Planning and as the work of the Commissioner was closely allied to that of the Rural Development Department, the Commissioner has suggested that these two offices be combined and placed in charge of a single officer with the designation of "Development and Planning Commissioner," the separate post of Special Officer for Rural Development being abolished. This officer would also be the Secretary of the Economic

Conference and could be empowered to inspect all sanctioned development schemes in execution in order to ensure their rapid and orderly implementation. These proposals if approved would secure an economy of at least Rs. 12,000 under " Salaries."

6. Regarding the staff, the Commissioner of Economic Development and Planning has at present a full-time Assistant Secretary and a staff as noted below. If this Office is combined with the Rural Development Office (which is still treated as on a temporary footing) substantial reductions may be effected in the combined staff of these two offices. The Commissioner says that for the work in his office 2 Investigators, 1 Steno-Typist and 1 Clerk would be sufficient. The savings thus secured would be about Rs. 6,500 per annum.

1 Manager, (125-10-175).
1 Steno-Typist (75-5-100-10-150/E.B. 10-200)
3 Investigators (80-5-100/E.B. 6-160).
3 Second Division Clerks (40-2-50/E.B. 3-80)
1 Attendar (25-1-30).
1 Duffedar (22-1-27).
11 Peons (18-½-22).

Statistical Branch to be transferred to Industries and Commerce Department.

7. Regarding the Statistical Branch, as Government have ordered in their No. S.R. 4728-4802—E.C. 37-46-2, dated the 21st June 1947, that the further work relating to the publication of the Statistical Abstract and Hand-Book of Commercial Information is to be done by the Director of Industries and Commerce, the special staff sanctioned in G. O. No. G. 3207-11—E. C. 44-43-1, dated the 9th February 1944, may be discontinued. The Director may perhaps want one official who has dealt with these to be sent over to him and this may be done. This will secure a savings of Rs. 2,500 per annum under Establishment and Rs. 820 under Dearness Allowance.

Policy Committee Reduction in number and economies in staff.

8. Regarding the Policy Committees, there are now five *Ex-Officio* Secretaries of the Committees (noted below)

Committee for :—
Education.
Industries and Commerce.
Public Health.
Sericulture and
Public Works, Transport and Power.

who are drawing an allowance of Rs. 50 each and one full-time Secretary for the Policy Committee for Agriculture. The number of meetings held by these Committees during the last two years is as noted below.

Committee for :—	*No. of meetings held.*	
	1946-47	1947-48
Education ...	4	7
Agriculture ...	5	4
Industries and Commerce	2	2
Public Health ...	2	2
Public Works, Transport and Power.	4	3
Sericulture ...	2	2

In view of the fact that these Committees meet only at long intervals, it does not appear necessary to give the Committees fulltime establishment as now sanctioned. (Each Committee is now allowed an establishment of one Steno-Typist, one Attender and one Peon.) It would be enough to give a small allowance of, say, Rs. 20 per month to an official, preferably a Steno-Typist, who attends to the work of these meetings. No allowance to the Secretaries appears also called for. Either the Assistant Secretary to Government in the Branch concerned, or if the Minister is the Chairman, the Secretary to Government, may be the *Ex-Officio* Secretary. Each Chairman is now given one Attender and the Secretary one peon. The need for these also would disappear if the above proposals are approved. With these changes, there would also be no need for a full-time Secretary for the Agricultural Committee nor for an Assistant Secretary to the Economic Conference. These two posts may be abolished. The savings thus secured would be about Rs. 8,500 per annum.

9. The above proposals would also result in a savings of about Rs. 2,000 under Travelling Allowance and Contingencies, etc.

10. *List of Retrenchments.*

Budget Head	Amount of Reduction	Remarks
	Rs.	
1 General—		
Salaries	5,400	1 By abolishing the post of Assistant Secretary and the allowance to the Secretaries of the Policy Committees.
Establishment ...	15,000	2 By abolishing certain establishments*.
2 Travelling Allowance and Contingencies.	2,000	Consequent on the reduction of staff as above.
3 Development Boards and Policy Committees.	2,000	By the reduction of the number of Policy Committees from 6 to 3.
4 Dearness and High Price Allowance.	8,000	.....
5 Deletion of provision for Economy Office.	10,000	.....
Total ...	42,400	

Note—A further saving of Rs. 11,800 will result under "80 Grants. 5 Rural Reconstruction" by the abolition of the post of Special Officer and the Menial Staff attached to the post.

"" Details for Item No." in remarks.*

1 Manager on Rs. 125—10—175.
1 Investigator on Rs. 80—5—100—6—160.
2 Clerks on Rs. 40—2—50—3—80.
1 Attender on Rs. 25—1—30.
7 Peons on Rs. 18—½—22.

Statistical Branch.

1 Superintendent on Rs. 60—5—90—6—150.
2 Clerks on Rs. 40—2—50—3—80.
1 Peon on Rs. 18—½—22.

Committee for Agriculture and other Committees.

1 Secretary on Rs. 170—10—250 plus D. A. Rs. 50.
5 Steno-typists on Rs. 45—3—60—4—100.
6 Attenders on Rs. 25—1—30.
7 Peons on Rs. 18—½—22.

3.—Charges connected with the Office of the Economy Officer.

As this Office will be abolished during the current year, no provision for any expenditure on this account would be necessary. The entire provision may therefore be deleted.

XX AND 26—EDUCATION.

Expenditure on Education.

The expenditure on Education is the biggest single item in our Budget being Rs. 275 lakhs or more than one-fourth of the total Budgetted Revenues (Rs. 1,068·17 lakhs) and one-fifth of the total expenditure (Rs. 1,372·59). The Financial Secretary says in the Budget Memorandum that "Though such a huge expenditure is considered to be beyond the capacity of the Revenues of the State, it is considered that this expenditure though non-remunerative, will prove to be within a short space of time a basic asset with the rapid education of the masses which has been accepted as the primary duty of Government." Our post-war schemes contemplate an additional big increase in expenditure of another Rs. 1·14 crores per annum at the end of the fifth year. This collosal expenditure cannot be borne by Government unless the people are prepared to tax themselves adequately.

Statistics of Expenditure.

2. A statement showing the growth of Receipts and Expenditure of this Department since 1938-39 is given below :—

RECEIPTS.

(In lakhs rupees.)

Minor Heads	1938—39	1939—42	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49 Budget
1. School Fees.	1·57	1·72	1·62	1·76	2·00	2·19	1·91	2·39	2·57	2·60	2·70
2. Examination Fees.	1·17	1·35	1·21	1·34	1·41	1·47	1·64	1·97	2·32	·84	2·85
3. Sri Krishnarajendra Silver Jubilee Technological Institute.	·01	·02	·02	...	·03	·04	·03	·10	·12	·04	·09
4. School of Engineering.	...	...	...	...	...	...	·14	·19	·28	·30	·40
5. Miscellaneous.	·18	·33 ·01	·27 ·02	·23 ·02	·28 ·03	·31 ·04	·22	·28	·28	·30	·30
6 Deduct Refunds.	·12	·07	·10	·11	·11	·16	·13	·12	·17	·17	·17
Total ...	2·79	3·35	3·04	3·27	3·63	4·02	3·81	4·80	5·41	5·91	6·17

EXPENDITURE.

(Rupees in lakhs.)

Minor Heads	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48 Revised	1948—49 Budget
1. Mysore University	10·80	11·75	12·75	14·00	12·50	12·13	16·81	20·23	17·00	19·94	34·46
2. Supervision	2·16	2·53	3·79	4·19	2·73	2·12	2·22	2·23	2·17	3·04	3·17
3. Sanskrit Edn.	·77	·76	·78	.79	·84	·87	·90	·94	·98	1·15	1·21
4. High School Edn.	5·21	5·37	5·46	5·51	5·67	6·08	6·46	6·75	7·98	11·83	15·74
5. Middle Schools.	7·27	7·37	7.55	7.62	7·97	7·99	8·53	9·49	11·60	22·02	26·20
6. Primary Edn.	17·29	17·21	17·25	18·37	27·08	32·07	36.85	44·63	68·64	90·81	109·39
7. Spl. Communities Edn.	1·97	1·97	2·03	2.07	2·03	2·31	2·37	2·60	3·11	4·00	4·24
8. Training Institutions	1.53	1.62	1·57	1·65	1·73	1 57	1·61	1·89	1·70	2·24	3·80
9. Training Schools.	·66	·22	·22	·15	·22	27	.23	.22	·26	·40	·49
9A. S.K.R.S.J. Technl. Institute, B'lore.	...	...	...	...	...	...	·51	·61	·46	·62	·76
9B. S. J. Occupational Institute.	...	...	...	...	·89	5·51	...	...	...	...	...
9C. School of Engineering.	...	...	...	...	...	...	·36	·54	·61	·67	1·59
10. Scholarships.	1·21	1·16	1·23	1·18	1·38	1·55	1·60	1·74	2·99	6·20	9·54
11. Buildings.	3·31	2·46	2·37	3·55	2·49	4·90	4·94	7.18	7·59	14·38	19·04
12. Libraries.	·12	·12	·12	·13	·13	·13	·14	·12	·16	·22	·22
13. Miscellaneous.	1·79	2·01	2·17	2·56	3·12	4·07	5·18	6·51	9.61	15·14	15·50
14. Schools in Military Areas.	·29	·29	·29	·28	·18	·18	·19	·18	·19	·26	·30
14A. High Price Allowance.	...	...	...	...	...	...	...	...	...	...	13·46
15. Addl. Indl. Schools transferred from Industries and Commerce.	1·14	1·01	·95	1·05	·93	·98	·98	5·20	5·62	9·51	14·88
15A. For Development Schemes.	...	...	...	...	...	...	...	...	1·98	3·07	10·00
16. Deduct contribution.	2·03	3·77	3·19	3·53	4·99	8·00	9.76	8·49	9·77	8 76	8·76
17. Deduct K.G.F. Middle School Charges.	3·05	·03	·07	·08	·09	·09	·14	·09	·07	·11	·10
18. Deduct Expenditure met from Special Reserve.	...	...	...	...	...	...	...	...	1·98	3·07	...
Total ...	54·00	55·73	55·97	59·97	64·83	75·06	84·19	103·07	130.84	193·56	275·12

It is seen from the above that there has been a rapid increase in the expenditure of the department and particularly so in recent years. From Rs. 54 lakhs in 1938-39, the expenditure rose to Rs. 60 lakhs in 1941-42, Rs. 75 lakhs in 1943-44, Rs. 103 lakhs in 1945-46 and Rs. 131 lakhs in 1946-47. It has further shot up to Rs. 193·56 lakhs in 1947-48 (revised) and Rs. 275·12 lakhs in the current year. Excluding grants to the Mysore University which has increased from Rs. 10·8 lakhs in 1938-39 to Rs. 34·46 lakhs in the current year, the largest increases have been under "Primary Education" from Rs. 17·29 lakhs to Rs. 109·39 lakhs, "Middle Schools" from Rs. 7·27 lakhs to Rs. 26·20 lakhs, "High Schools" from Rs. 5·21 lakhs to Rs. 15·74 lakhs. The expenditure on Industrial Schools has also risen from Rs. 1·14 lakhs to Rs. 14·88 lakhs during the same period. The Budget also includes the following additional items :—

Dearness Allowance to employees excluding those under Primary Education	... Rs.	13·46 lakhs
For Development Schemes	... „	10·00 „
Expenditure relating to Civil Station	... „	8·61 „
Revision of scales of pay	... „	10·39 „

The expenditure shown under Primary Education is only the Government grant the actual expenditure proposed being Rs. 126·0 lakhs which includes Rs. 20·24 lakhs for revision of scales of pay and Rs. 28·62 lakhs for dearness allowance.

3. The expenditure on Industrial Schools includes a lumpsum provision of Rs. 4 lakhs on account of the following :—

Occupational Institute, Mysore	... Rs. 1·5 lakhs.
Poly-Technique Institute, Davangere	... „ 2·5 lakhs.

I. Office of the Director of Public Instruction.

Gazetted Staff : one Deputy Director's post may be reduced.

4. There are at present in the Head Office, the following subordinate Gazetted Officers :—

Deputy Directors	...	3
Personal Asst. to the D.P.I.	...	1
Secy., Secondary Education Board	...	1
Inspector of Commercial Schools, and Secy., Commercial Examn. Board	...	1
Accounts Assistant	...	1
Total	...	7

Formerly, there were two Circles of Education with a Deputy Director in charge of each, and a third Deputy Director at Headquarters for Elementary Education. In 1946, these Offices were abolished and all the three Deputy Directors were attached to the Director's Office to assist the Director, while the abolition of the inter-

mediary circle offices was, a desirable measure as it has placed the District Officers in direct contact with the Head Office, how far this has relieved the work of the Director is not clear. Unless a considerable portion of the Director's powers are delegated to these officers, there will be no relief to the Director nor even prompt despatch of work. In the Madras Presidency, there appears to be only two Deputy Directors, one for Primary Education and one for Secondary Education, apart from one for the University. We need not have more Deputy Directors than Madras and we may therefore retrench one of these posts, the powers of these officers being simultaneously enlarged.

Manager and Superintendents. Manager's post may be abolished.

5. There is in this office, besides the Personal Assistant, a Manager on Rs. 170-10-250 and 8 Superintendents on Rs. 150-10-200. There is no necessity to have a separate highly paid Manager as an intermediary between the Gazetted Officers and the Office. The Superintendents may be treated as the ministerial heads of their respective sections and work directly under the Gazetted Assistants, questions relating to matters common to the whole office being dealt with by the seniormost Superintendent, who may be in charge of the Current Section. I do not think it is necessary to have a separate wholetime Inspector of Commercial Schools, in the headquarters with jurisdiction all over the State. This post may also be retrenched.

Ministerial Establishment. Reduction in strength possible.

6. While the number of papers of different categories received in this Office has increased from 26,201 in 1938-39 to 42,491 in 1947-48, the strength of the ministerial establishment in the Head Office has increaseds from 46+3 (temporary) in 1938-39 to 83+5 (temporary) in 1948-49, distributed among 14 Sections as under :—

		No. of hands in each section.
1.	High School Education ...	8
2.	Middle School Education ...	8
3.	Elementary Education ...	8
4.	Building Section ...	7
5.	Commercial Section ...	2
6.	Examinations Section ...	6+5 (Temp.)
7.	Text-Book Committee ...	5
8.	Typing Section ...	9
9.	Current Section ...	10
10.	General Section ...	5
11.	Special Section ...	6
12.	Personal Section ...	2
13.	Development Section ...	6
14.	Forms Section ...	1
	Total ...	83+5 (Temp.)

There appears to be far too many officials and far too many sections. If each official attends to at least 10 papers a day and there are 250 working days, one official should be able to attend to 2,500 papers and on this basis 18 case-workers should be enough for this office. Adding the necessary number of Typists and officials for the building section, the number ought not to exceed 40 in any case. The Efficiency Audit Officer may be deputed to examine this question and in the meantime, a reduction in the staff to the extent of at least 25 per cent may be enforced, the Director being requested to so arrange the work as to see that each official ordinarily attends to at least 10 papers a day.

Establishment in District Offices. Reduction may be effected.

7. It is understood that the District Educational Officers have each the following staff:—

Office Assistant	...	1
Clerks	...	15
Peons	...	5

In the absence of statistics of work (according to the latest scheme of organisation), I cannot make any definite suggestions and would only suggest a retrenchment of 12½ per cent being made in the ministerial strength of these offices also.

Agricultural Inspector's post may be abolished.

8. It is, I think not necessary to have a whole-time Agricultural Inspector (lent by Agriculture Department) in the Education Department to inspect the 19 Agricultural Classes attached to Middle Schools. The local Agricultural Inspectors of the Agricultural Department may be required to inspect these classes as part of their duties. This post may be abolished.

9. There are 37 Practical Instructions Classes in Middle Schools (other than Agriculture). There are no such classes attached to High Schools. Having Practical Instruction Classes, only in Middle Schools, may not enable students to gain sufficient knowledge to make a living thereby on completion of Middle School Examination. This requires examination. With the increase of more and more Industrial Schools and the encouragement to the Wardha Scheme, the need for these separate Practical Instruction classes may not exist.

Adult Literacy Council work to be taken over by the department.

10. The Adult Literacy Council is getting an annual grant of Rs. 5 lakhs and the work is administered by non-official agency, with separate supervisory staff at the Centre and District and Taluk Headquarters. The Adult Literacy Scheme contemplates having Assistant Inspectors of Education for inspection of their schools side by side with departmental Inspectors who inspect schools in those areas thus leading to duplication of work. Whether the Adult Literacy Scheme may not be taken over (under the direct control of) by the Education Department, the existing Government agency in district and taluk headquarters being required to attend to the supervision of this work also is a matter for consideration. The non-official Committee entrusted now with this work could however continue to be associated in an advisory capacity. This will mean a large savings in the Establishment.

Reduction in the number of Assistant Inspectors.

11. While there may not be much scope to reduce the number of District Education Officers who have now control over High Schools, Normal Schools and Training Institutions, I believe some reduction is feasible in the number of Inspectors (formerly Assistant Inspectors). I understand that the question of having one Inspector for each taluk is under consideration. If this is done, the cost will be considerably reduced. There seems to be now about 157 Inspectors (*vide* Appendix 'R' of the Budget for 1948-49). It may also be possible to suitably redraft the form of inspection report so as to concentrate on essentials and omit unnecessary details so that a larger number of institutions may be inspected by a smaller number.

Increase in number of non-graduate Middle School Headmasters. Abolition of uneconomical Schools.

12. The sanctioned tutorial strength of Middle Schools is stated to *include* 167 *graduate* teachers on 60-5-90-6-150. The non-Graduate Headmasters and Assistant Masters of Middle Schools get Rs. 40-2-50-3-80. There is a dearth for graduate teachers for the High Schools, and in view of this and also in the interest of economy, I suggest that at least 50 per cent of the graduate posts for Middle Schools may be released for non-graduates, a small allowance being attached to the post of Headmasters on account of the increased responsibility. This would secure a large saving in expenditure. It is also necessary to review the working of the schools from time to time and abolish " uneconomical " schools wherever possible.

Abolition of denominational Schools.

13. There are certain technical *whole-time* posts, such as Sewing Mistresses, Music Teachers, Drill Instructors, etc., in many of the schools. It is difficult to provide full work in several of the Institutions for these special posts. General teachers may be encouraged to acquire special knowledge of hand-crafts and a small allowance given to such teachers to teach such crafts and avoid employment of whole-time teachers for these, as far as possible. The maintenance of separate institutions and supervisory staff for special communities education—Anglo-Hindustan Schools—Assistant Inspectors of Urdu Schools, Adikarnataka Schools and Boarding Schools or even separate Institutions for Boys and Girls entails duplication of agency and segregation of pupils. There is no need for separate Primary Schools for Girls at all and even the number of separate Middle Schools for Girls could be cut down. This would also secure savings in expenditure. This is however a question of policy.

Encouragement to Private Schools.

14. The above economies are however like a drop in the ocean when compared to the huge expenditure in this department but such as they are their adoption would secure some economies at least. It is only by Government encouraging local bodies and private people to start Educational institutions that we can hope to secure any substantial reduction in this ever-increasing Budget. The 1931 Retrenchment Committee also referred to this and stated that "one way in which State Expenditure on education may well be minimised is by giving practical scope and effect to the general principle of the responsibility of local bodies in the matter of Primary Education." This has been reiterated by the Ways and Means Committee of the General Advisory Board of Education. We have got a large and impressive programme for Educational development in the State during the next five years, it is therefore necessary to secure all economies wherever possible to provide the funds for expansion.

Development programme.

15. The Director has furnished a Statement of the minimum additional requirements for his department under

the programme during the next five years and they are as under :—

In lakhs of Rupees.

Name of Scheme	Additional Recurring Expre.					Additional Non-recurring Expre.				
	1948—49	1949—50	1950—51	1951—52	1952—53	1948—49	1949—50	1950—51	1951—52	1952—53
1 Pry. Edn.	19·79	34·02	48 26	62·50	76·74	16·92	11·07	11.17	11·27	11·37
2. Basic Edn.	·52	·59	·91	·99	·99	·37	·31	·20	·44	·20
3. Trg. of teachers.	2·38	4·00	6·27	8·05	9·82	1·33	·61	·61	·61	·61
4. Physical Edn.	·44	·79	1·15	1·15	1·86	1·20	1·20	1·20	1·20	1·20
5. Middle Schools.	3·10	6·49	9·88	13·61	17·12	2·34	3·62	3·62	5·52	4·32
6. High Schools	1·05	1·73	2 61	3·44	4·36	1·80	2·88	3·67	3 67	3·96
7. Visual Edn.	·49	·51	·52	·54	·55	2·02	·04	·04	·04	·04
8. Supervision.	·67	1·28	1·28	1·28	1·28	·13	·18	...	...	...
9. Adult Edn.	...	1·00	1·00	1·00	1·00	...	...	...	...	...
10. Military Trg.	...	...	...	...	...	1·00	1·25	1·50	1·75	1·75
11. Deputation of Officers for short periods to study educational problems in other parts of India.	...	...	...	...	...	·05	·05	·05	·05	·05
Total addl. cost.	28·44	50·41	71·88	92·91	113·72	27·16	21·19	22·06	24·55	23·50

According to this, the increase in recurring expenditure at the end of the fifth year is Rs. 114·00 lakhs and in addition to this the non-recurring expenditure averages to Rs. 25 lakhs annually. Our education budget would therefore, according to the Director, be about Rs. 4 crores by 1952-53.

Need for rigid economy in expenditure.

16. The question is whether we could afford this and whether the contemplated increase in education could not be secured by other methods. The 1931 Committee pleaded for reduction in expenditure even under Education if that were inevitable. They stated as under :—

> "But just as it is true of other Nation-building departments so is it true of Education that if it be impossible to make normal revenue cover normal expenditure in any other way it is necessary even in an essential service to make a temporary reduction. It is certainly desirable to reduce expenditure on the less essential branches of it in order to make provision for advance under the more essential ones."

I agree with them and would add that if the programme for our Education expenditure is to be pushed through, rigid economies should be secured under all other optional items and the additional taxation suggested elsewhere cheerfully borne. The Education authorities in turn

should also co-operate and not make their schemes unnecessarily costly. Each item of expenditure in each scheme however small it may be should be scrutinised and expenditure brought down to the minimum possible. In my Note regarding development schemes Chapter VIII I have suggested that the maximum increase of recurring expenditure under Education should not exceed Rs. 50 lakhs at the end of the fifth-year and that a non-recurring grant of Rs. 15 lakhs per annum for Buildings may be given.

"Double Shift" working of Schools.

17. A perusal of the proposed statement of expenditure shows that the largest item is on account of Primary Education and enforcement of compulsory education. This means more schools, more teachers, more Inspectors, more clerical staff and more buildings. One way of meeting the demand for increased schools is to have classes in two shifts, one in the morning between 7-30 and 12 and another in the afternoon between 12-30 and 5. This will enable double the number of students being educated in the same building and secure savings in rent, equipment and also establishment charges to some extent. The Director of Public Instruction whose opinion in this matter was sought however thinks that there are "great Educational disadvantages (such as the strain of continuous work for 4½ hours, the pupils having to sustain hunger till 12 noon, want of sufficient recreation facilities etc.), which more than outweigh the advantages." While recognising that there is some force in these objections, I feel that under present circumstances, a certain amount of inconvenience must be put up with in the larger interests of the State. The same procedure can be adopted in respect of middle and high schools. The double shift arrangement while involving only very little additional expenditure on account of staff, would enable double the existing number to be educated at very little extra cost to the State. It would also solve to a large extent the question of building which is hampering the progress of Educational Schemes.

Need for settling educated men in Rural areas and encouraging them to start Schools.

18. The next important suggestion for economising expenditure is to encourage the starting of more and more private schools. A statement of aided Schools in 1939-40 and now is appended. The number of aided Primary Schools in 1939-40 was 1,509 while the Government Schools were 26. The number of aided Primary Schools now is 1,449, *i.e.*, less than in 1939-40 while the number of Government Schools has increased to 7,789. This shows that there is not sufficient encouragement for aided

Primary Schools. If there is to be intensive rural development, we want more and more educated men to settle down in villages and one method of securing this object is to encourage such educated men to run *private schools in villages* and to do this, we must make it worth their while. If educated men could be made to live in villages they could also take rural reconstruction work in all its varied aspects and this would assist Rural Development far more than anything else we could do. Moreover it can safely be asserted that the standard of teaching and the attention to the pupils in *properly run* private schools is far higher than in any Government institution. We must therefore get more and more private institutions started not only giving them suitable subventions, but also allowing them to charge fees so that the organisers could make suitable living out of these schools. Village Panchayets may also be encouraged to assist in the starting of such schools by suitable grants being made by them, thus sharing with Government, the financial responsibility of running these schools. A drive for the starting of more Private, Municipal, District Board and Panchayet Primary, Middle and High Schools should be undertaken and every facility afforded for this purpose by Government.

Increasing Sources of Revenue.

19. With the vast expansion of education, particularly primary education, it is also necessary to tap additional sources of revenue to meet the growing expenditure.

Doubling the Education Cess.

20. The Education Cess was levied to provide funds for Primary education but the realisations from the cess cover only a very small fraction of the total cost. Whether the rate of cess should not be increased requires consideration. The cost of education alone is more than double the total receipts from Land Revenue and the major portion of the cost is on primary education and is spent in rural areas. The question of doubling the Education cess and levying this on Income-tax also requires consideration.

Levy of fees in Middle Schools.

21. The abolition of fees in Middle Schools has resulted in the State foregoing an appreciable amount of revenue. The Retrenchment Committee of 1931 wrote as under :—

> " Fees in Middle Schools were abolished eleven years ago. Whatever may have been the justification for this step when it was taken, it is difficult to justify its continuance at a time when the needs of the State require stringent

economies in all directions as well as a due improvement of existing resources. After all, the fees that were being charged in Middle Schools in Mysore were low enough compared with those charged elsewhere; and if care be taken to temper the incidence of fees by a generous and discriminate system of poverty scholarships, there is no reason whatever to anticipate any real hardship from their reimposition.

The Committee, by a majority, accordingly recommends the restoration of the levy of fees in Middle Schools, Messrs. H. C. Dasappa, K. T. Satyanarayana Setty and Anekal Srinivasa Iyengar dissenting."

The levying of fees in Middle Schools would bring in a Revenue of about Rs. 6·4 lakhs and would not perhaps be grudged in these days when the public are aware of the large expenditure that is being incurred by Government on education.

Abolition of the Elementary Education Fund.

22. Again at present most of the expenditure incurred on Elementary Education is treated as incurred out of the "Elementary Education Fund" and the details of establishment and other charges on this account which go up to over a crore of rupees, are shown separately under a separate Fund Account in Appendix (R) to the Budget. This mode of accounting, was necessary when primary education was being controlled by District Boards and education cess was meeting a large portion of the expenditure. Now that the entire burden is taken over by Government and beyond a sum of about 12 lakhs released from Education Cess and some contributions from local bodies, the whole expenditure on account of Elementary Education is met from State Funds, no purpose is served by treating the State Grant as a contribution to a separate Fund. The entire expenditure may therefore be booked under "26. Education" the receipts from Education Cess being shown as a deduct entry.

Raising of fees in High Schools.

23. The question of raising fees in High Schools may also be considered. Generally also Private Schools may be authorised to levy a higher scale of fees (Government grants being suitably reduced), wherever the department considers such higher scales reasonable. This measure will encourage more private schools coming up those that can afford to pay seeking admission in these schools thus making more seats available in Government institutions for those less favourably placed.

Reducing the number of teachers by increasing permissible strength.

24. I have not been able to refer in this Note to the possibility of economising in the number of teachers given to each school. This is a matter for the Director and he

may be requested to secure the maximum economy under this head. Having only part-time teachers to teach subjects in respect of which there is no work for a full-time officer is one possibility. Similarly the number of students in each class may be raised to 60 instead of keeping at 40 as it is now. This may be done at least for the next few years till our finances stabilise.

Buildings.

25. There is a provision in the current year of Rs. 23·04 lakhs under this head including Rs. 4 lakhs under Elementary Education Funds. This includes Rs. 3 lakhs for Middle Schools, Rs. 10 lakhs for Primary Schools and Rs. 2 lakhs as lumpsum for additional requirements. It also includes a grant of Rs. 5·48 lakhs as building grants with a lumpsum provision of Rs. 2 lakhs. In view of the high cost of buildings, the grants may be reduced as under:—

	Rs.
Omission of lumpsum grants—	
Original works	2 lakhs.
Building grants	2 „
Total ...	4 „
Reduction of grants under Primary Schools ...	5 „
Reduction of grants under Middle Schools ...	1 lakh.
Total ...	6 lakhs.
Total ...	10 lakhs.

26. Savings expected if the above suggestions are approved.

	Savings	*Additions to Revenue.*
	Rs.	Rs.
1. By the abolition of the post of one Deputy Director of Public Instruction (Rs. 500-50-2-750) ...	7,800	...
2. By the abolition of the post of the Manager, Director of Public Instructions Office (Rs. 120-10-150) ...	1,600	...
3. By the abolition of the post of Inspector of Commercial Schools (Rs. 200) ...	2,400	...
4. By retrenching 20 II Division Clerks in the Office of the Director of Public Instruction (Rs. 40-2-50-3-80) ...	78,000	...
5. By retrenching 18 II Division Clerks in the Office of the District Educational Officer (Rs. 40-2-50-3-80) ...		

		Savings	*Additions to Revenue.*
		Rs.	Rs.
6.	By abolishing the whole-time Agricultural Inspector ...	1,800	...
7.	By reducing the number of Inspectors from 157 to 100 at the rate of one for each Taluk and rest for Cities ...	60,000	...
8.	By conversion of 80 I grade teachers' posts to II grade teachers' posts (Rs. 60-5-90-6-150) to (Rs. 40-2-50-3-80)	55,200	...
9.	By doubling the rate of Education Cess and levying it on Income-tax also ...	...	11,86,000
10.	By levying of fees in Middle Schools ...	...	6,40,000
11.	Reduction of Building grants ...	10,00,000	...
12.	Provision under Miscellaneous ...	12,80,000 30,200	... ...
13.	Provision for Scholarships ...	3,00,000	...
14.	Omission of Provision for Indian Academy of Science ...	50,000	...
15.	Lumpsum grant under School of Engineering ...	50,000	...
16.	Sri Jayachamarajendra Occupational Institute (I. & C.) ...	4,03,000	...
17.	Sri Chamarajendra Technical Institute (I. & C.) ...	1,00,000	...
	Total	34,20,000	18,26,000
	Increase in receipts appearing as reductions in expenditure—Four Industrial Schools.	0·50 lakhs.	

Statement showing the number of schools of various type in 1938-39 and 1948-49.

	1938—39				1948—49			
	Govt.	Local Bodies	Aided	Total	Govt.	Local Bodies	Aided	Total
Primary Schools—								
for Boys ...	26	4,490	1,509	6,025	7,789	...	1,449	9,238
for Girls ..	10	397	54	461	468	...	55	513
Number of Middle Schools—								
for Boys ...	286	...	27	313	536	...	31	567
for Girls ...	30	...	15	45	86	...	15	101
Number of High Schools—								
for Boys ...	18	8	6	32	23	71	16	110
for Girls ...	3	...	5	8	10	...	12	22
Total ...	373	4,895	1,616	6,884	8,902	71	1,578	10,551

XXI AND 27—AGRICULTURE.

Cultivation statistics.

The development of agriculture in the country is no doubt the most important function of Government considering that the increase in the area under food crops has not kept pace with the growth of population, and that in spite of what little increases in production have resulted due to increase in the area under cultivation, additional irrigational facilities and improved methods of cultivation, we are still deficit in foodgrains to the extent of nearly 2·5 lakhs of tons involving an out-going of over five crores of rupees each year from the State. A statement showing the growth of population and increases in the area under foodgrains furnished in my Note under Land Revenue has been extracted for ready reference.—

(In acres.)

Year	Population*	Total arable land available for cultivation	Arable land available per capita	Area under occupancy	Area under occupancy per capita	Area actually croped	Area occupied per capita	Area under occupancy	Area under food crops per capita	Cultivable waste
1885 ...	4,186	8,443	2·02	5,130	1·22	4,474	1·07	3,947	0·94	3,313
1895 ...	4,944	8,505	1·72	6,791	1·35	5,895	1·19	5,267	1·06	1,712
1905 ...	5,539	8,612	1·56	7,264	1·51	5,927	1·07	5,173	0·93	1,370
1915 ...	5,806	8,562	1·47	7,671	1·32	6,244	1·08	5,300	0·91	899
1925 ...	5,979	7,700	1·46	8,100	1·35	6,268	1·05	5,236	0·88	690
1935 ...	6,557	8,951	1·37	7,943	1·21	6,065	0·92	5,069	0·77	1,009
1945 ...	7,329	10,221	1·39	8,186	1·12	6,548	0 89	5,344	0·73	2,035

* The figures are in thousands.

The rapidly increasing population and the inadequacy of our food production necessitates increased attention being paid to the intensification of agricultural methods so as *to produce more per acre*, in addition to bringing in more areas under cultivation. The latter is, however, a slow process while the former could be expected to yield quicker results. The Australian delegation that visited India in 1946 have remarked that agricultural productivity here is low even by Asiatic standards and they add that: "By far the larger part of the population's food supply is made up of scant quantities offered for sale by millions of poor farmers who have little or no inducement nor opportunity to improve their primitive ways of cultivation in the existing conditions, ..."

The main work of the Agricultural Department should be improvement of Agricultural production.

2. The main work of the Agricultural Department should therefore be to improve *agricultural production* and it is necessary therefore, as opined by the Director of Agriculture, Madras, that the services of Agricultural

officers should be utilised fully for the work for which they have been educated and specially trained, *and all other work that is not of a technical nature should be taken away from the department.* From this point of view the work of sale of oil-cake, agricultural implements including iron and steel materials and seeds and manures need not be handled by agricultural officers. Proposals for economy in this department should therefore, include the taking away of this work from the agricultural staff now attending to such duties not necessarily pertaining to the department.

Statistics of Receipts and Expenditure.

3. The receipts and expenditure under "Agriculture" from 1938-39 to 1948-49, under the several Minor heads, are indicated below :—

[In lakhs of Rupees.]

Minor Heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
Receipts—											
1 Miscellaneous.	·15	·28	·18	·11	·19	·16	·29	·07	.08	·05	·20
Expenditure—											
1 Direction ...	·97	·93	·75	·72	·70	·60	·60	66·	·61	·61	·64
2 Scientific Assistants.	1·07	.86	·79	·81	·82	·77	79	·81	·78	·76	·70
3 Agricultural Instruction.	3·43	1·73	·24	·25	·24	·25	·25	·32	·25	·42	·26
4 Demonstration and Experiments.	30·53	11·94	5·32	4·23	4·42	3·98	3·55	3·78	3·06	2·78	2·15
5 Miscellaneous.	·95	·55	·52	·24	·12	·22	·20	·20	·17	·18	·16
6 Contribution towards Coffee Cess and Experimental Station Fund.	·17	·17	·17	·13	·16	·16	·17	·17	·15	·16	·16
7 For Development Schemes.	10·00	5·00	·84	...	...	...	...	...	...	...	...
8 For opening of Agricultural College.	...	...	·98	·26	...	...	...	...	...	...	...
9 High Price and Dearness Allowance.	3·29	...	...	..	...	...	...	...	...	..	...
10 Deduct—Expenditure met from Special Reserve Fund.	...	10·51	1·82	...	...	...	...	...	...	...	...
Total ...	50·41	10.67	7 79	6·64	6·46	5·98	5·56	5·94	5·02	4·86	4·07

Director of Agriculture—Combination of posts of Director of Agriculture, Director of Agricultural Research and Director of Horticulture.

4. The Director of Agriculture was till recently also in charge of Agricultural Research (Scientific Sections) and the Agricultural College. These functions have latterly been bifurcated, a separate head of department being placed in charge of Agricultural Research and the Agricultural College. Whether these two offices should not be combined as before both to secure economy and in order that the head of the department, and through him the agriculturists in the State, may get the full advantage of the work done by the Research Sections also, is a point for consideration. There is at present a full-time officer in independent charge of the Horticultural Department. Some time ago, that department also was under the Director of Agriculture. In order to encourage fruit culture and the growth of vegetables, it is proposed as part of our post-war programme to take up an intensive programme of Horticultural development throughout the State. Instead of unnecessarily duplicating the staff between these departments it is a matter for consideration whether these three departments could not be combined at State, District and Taluk levels, the assistance of trained Horticultural officers being made available to the agricultural staff both in Districts and Taluks.

Posts of Deputy Directors should not be multiplied.

5. Regarding economies in the Office of the Director of Agriculture, the Director's letter seems to indicate that several parts of the organisation are still in a formative stage. Statistics of work are not furnished, and the replies are somewhat vague on several points. The Director refers to certain proposals submitted to Government regarding creation of two administrative Circles under two Deputy Directors as regional supervisory officers over District Officers (like Superintending Engineers in the Engineering Department) and says that orders of Government are awaited. There is at present in the Director's Office a Deputy Director, a Headquarter Assistant and an Accounts Assistant. There is also an Additional Deputy Director for "Grow More Food" and a Superintendent of Farms. At the outset it may be stated that there appears to be no need to multiply the posts of Deputy Directors putting in unnecessary intermediaries between the Director and the District Officers. Ours is a small State and there is no need for such intermediaries who often become mere post offices.

Headquarters staff—

6. As regards the post of the Deputy Director now existing it may be stated that when there was formerly a

Abolition of posts of Deputy Directors, Superintendent of Farms either Personal Assistant or Accounts Assistant suggested.

Headquarters Deputy Director, no additional Assistant, was considered necessary. Later, a Headquarters Assistant was given, but the most senior of the heads of Scientific Section was given the rank and status of Deputy Director and he continued to be in charge of his Scientific Section also. Thus he was not an officer extra over the sanctioned scale. Now there is at Headquarters, besides the Deputy Director, a Civilian Assistant and an Accounts Assistant. In addition two Senior posts, *viz.*, Additional Deputy Director, 'Grow More Food Campaign' and Superintendent of Farms with necessary ministerial and executive staff have been created. The need for all these is not clear, especially as the Scientific and Research work has been separated and a new post of Director of Agricultural Research has been created, that officer being in charge of the College and Agricultural School also. The creation of this new post at the highest level must have relieved the Agricultural Director's Office of considerable administrative and technical work and unless the posts of Director of Agricultural Research and Director of Agriculture are again to be combined, it is obvious that retrenchment both in the Technical and Administrative establishments in the Director's Office ought to be possible. While the several post-war schemes that are being implemented may be sufficient justification for retaining the post of a full-time Deputy Director, as long as there is a full-time Deputy Director, there is no need for separate posts of an Additional Deputy Director and Superintendent of Farms. There is also no need for a Civilian Personal Assistant as well as Accounts Assistant. The Director may be given an Accounts Officer as Personal Assistant or in the alternative if a Civilian Personal Assistant is necessary the post of Accounts Assistant may be abolished, a Superintendent of the Comptroller's Office being appointed to the post of Manager to assist the department in account matters. The position of the Gazetted staff would thus be:—

One Director.

One Deputy Director—(The post of Additional Deputy Director and of the Superintendent of Farms to be abolished).

One Civilian Personal Assistant (in which case the Manager may be a Superintendent of the Comptroller's Office).

OR

One Assistant Comptroller as Personal Assistant (with the Manager drawn from the Department).

The Deputy Director is to be treated as Assistant to the Director and part of the Headquarters Office, and no separate staff is necessary for him.

7. Regarding ministerial establishment, there has been an abnormal increase in the staff of the Headquarters' Office (including Deputy Director) from 24 in 1938-39 to 25+16 now. Considering that the department has been bifurcated and all its research sections and their activities transferred to a separate officer and that the Veterinary Section which was formerly attached to this department has been taken away, the ministerial staff appears to be capable of reduction. As I have not got statistics of work, no definite suggestions could however be made by me. A 12½ per cent reduction may be effected in the permanent staff, and the temporary staff disbanded as soon as the work for which the hands were sanctioned is over. In this connection, I wish to state that a large Accounts Establishment was sanctioned on account of the great confusion in the accounts that existed in the various depots run by this department. This may have been set right by now and if so, substantial retrenchments ought to be possible here also, all the temporary additions being disbanded.

Ministerial Establishment in Headquarters—Reduction in staff.

8. Regarding the Additional Deputy Director for the 'Grow More Food Campaign,' he is in charge of—

1. The Grow More Food Scheme;
2. Scheme for multiplication and distribution of improved seeds and supply of manure; and
3. Wide distribution of improved agricultural implements.

Additional Deputy Director and Superintendent of Farms.

The Director has since written to Government (copy sent to me) that as the Executive Engineer and Assistant Engineer to be employed as Tractor Engineers will attend to the entire work connected with the Tractor and Lorry Service and distribution of implements and as the Assistant Directors are already in charge of manure distribution and are attending to it, there is no need for a full-time Additional Deputy Director of Agriculture. He has suggested the abolition of this post and several other superfluous posts resulting in a saving of Rs. 53,598 per annum on the staff and Rs. 15,000 in travelling allowance. *These proposals may be accepted.* In the proposals for staff to be sanctioned in lieu of the above the Director has asked nine peons for nine Circles. The need for additional peons for the Circles is not clear and *this need not be sanctioned.*

9. The Superintendent of Farms is entrusted with the work of establishing Regional and Taluk Demonstration Farms and of supervising all agricultural farms. This could be better and more effectively attended to

The work of Superintendent of Farms to be entrusted to District Agricultural

Officers and the District and Taluk Development Committees.

by the District Agricultural Officers concerned rather than by a Civilian Officer. One officer, and that too a non-technical man, could not be expected to look after all these farms throughout the State. If, on the other hand, this officer is merely to be an inspecting officer the post would be superfluous as the inspections could be better and more effectively done by the Director and his Assistants. Now that District and Taluk Rural Development Committees have been formed, the work of the rapid establishment of these farms and making them more useful to the raiyat could be easier accomplished and better looked after with the assistance and co-operation of these Committees and the local non-officials. The opening of seed farms in each district and the major, medium and taluk Demonstration Farms contemplated in the post-war planning with a view to demonstrate improved methods of agriculture to the raiyat are part of our Development Schemes and it is only appropriate that these farms should be under the District Officer and his staff assisted by the District Development Committee and Committees subordinate to it who could actively help in demonstration work and, in the case of seed farms, see to the collection and distribution of seeds through Village Panchayets, Co-operative Societies, etc. The post of Superintendent of Farms would thus seem superfluous. This officer has under him the following staff:—

A. For Office.—
One Head Clerk
Two Clerks
One Typist
Four Peons

B. For Farms.—
One Research Assistant
One Agricultural Inspector
Two Fieldmen
One Clerk
One Store-keeper
Four Permanent Labourers.

It is not clear how exactly staff 'B' are employed. No information is given as to what progress has been made so far in these special items of work. If the post of Superintendent of Farms is abolished, posts listed under 'A' and 'B' above could also be retrenched, any additional establishment required by the District Agricultural Offices being considered on merits.

Bio-Chemist and his staff—Scope for Economies in staff.

10. There is a separate *Bio-Chemist* for Compost Scheme, with an elaborate subordinate staff as under:—

I. For Town Waste Compost Scheme.—
One Assistant Bio-Chemist
Six Maistries

II. For Rural Waste Compost Scheme.—

One Assistant Bio-Chemist (Headquarters).
Nine District Assistants
Sixteen Demonstrators
One Accountant
One Typist
Four Peons (Headquarters)
Nine Peons in Districts

It would be interesting to know what amount of tangible work has been turned out by this staff.

As the development of this scheme also depends mainly on the response from the rural population, it seems to me that this staff also should get integrated with the staff for rural development and the implementation of this Rural Compost Scheme made over to that department. This scheme is most important if we are to provide the necessary cheap manure for increasing production per acre, but if this is to succeed, the active co-operation of the Municipalities, Panchayets and Villagers is absolutely necessary. Both propaganda and organisation in rural areas is necessary for implementing the scheme and this cannot be secured by merely duplicating staff at Headquarters. This work also may therefore be attended to by the Rural Development Department who should give this "Top Priority." The District Assistants and Demonstrators now attached to the Bio-Chemist may be attached to the District and Taluk Development Committees, the Bio-Chemist retained being only a technical inspecting officer. In this view, the following staff, may be retrenched.

One Assistant Bio-Chemist (Headquarters),
One Accountant,
Two Peons in the Headquarter,
Nine Peons in the Districts,

11. The need for a separate Assistant Bio-Chemist for the Town Compost Scheme is not also clear as by now all Sanitary Inspectors would have been trained. This officer and the six maistries may also be dispensed with.

Agricultural Engineering Section and Tractor Service.

12. Regarding Agricultural Engineering, a very large establishment has been sanctioned for this section (in G.O. No. A. & F. 4603-10—Agri. 18-45-12, dated the 5th April 1948). The Agricultural Engineer is of the status of an Executive Engineer and two Assistant Mechanical Engineers are to be posted for the maintenance, repairs and production workshop. There is also to be a Tractor Engineer of the rank of Assistant Engineer. It is seen that while the Agricultural Engineer has a separate staff, *these subordinates have also been given*

their own staff. There are four Tractor Service Units for each of which an elaborate establishment is also provided. It is seen that most of the work relates to supervision of Tractor Services, and running a Workshop. Although this Workshop is also meant for manufacture of agricultural implements, it is not clear how far it would be suitable for this purpose and to what extent import of implements from outside would be obviated thereby. In any event, the sanctioned staff for this organisation appears to be too much and the duties overlapping. There is a Foreman Mechanic for the Tractor Engineer and another for the Workshop. There is a Tractor Supervisor and two (Tractor) Mechanics in each Unit. There is a relieving helper and three Workshop helpers. For the Workshop there are two Mechanics, four Assistant Mechanics and twelve Fitters. Whether all this huge establishment is necessary to maintain about 60 Tractors and 12 Lorries is not clear. The mere establishment charges alone work up to over Rs. one lakh per annum. This Workshop is, I presume, to be located in Bangalore. We have already the Central Industrial Workshop in Bangalore, and perhaps our nationalised Bus Services will also have a Workshop. The Military Department also has a Workshop for its transport vehicles and the Agricultural College would have its own Workshop. The need for a separate Workshop of the magnitude now suggested for this department is therefore not clear. It would be cheaper to entrust the Tractor repairs at Bangalore to one of the above Workshops than to have a separate large whole-time establishment *which would not have continuous work.* Similarly the District Organisation proposed appears to be too much and capable of curtailment. Whether the District Industrial Workshops could not be suitably reorganised so as to attend to this work also would appear to require investigation.

13. The Agricultural Engineer is also proposed to be put on devising simple and new forms of agricultural implements. Here again, there appears to be avoidable overlapping. The Hassan Implements Factory is manufacturing agricultural implements and it is not clear why they should not be entrusted with this work, the suggestions for advice of the Agricultural Engineer being made available to them. I believe the Central Industrial Workshop also has facilities for attending to such works and the Agricultural Engineer may utilise this Workshop and District Workshops also, for this purpose. While

agricultural schemes should have priority, I must state that it is essential that there is no avoidable duplication of work or wastage and all such items should be cut down.

14. In this connection it may be observed that there seems to be some confusion and overlapping in the provisions made in the State Budget for 1948-49 for the Tractor Establishment and Services. For instance— Overlapping provision in the Budget.

(1) Under "4. Demonstration and Experiments—Agricultura Engineer" the following are provided for :—

		Rs.	
Page 125 and 297 of the Budget.	Tractor Establishment— (Mechanics, Drivers, Helpers) ...	7,892	Included in the provision of Rs. 48,518 made for Establishment of Agricultural Engineering Section.
	Temporary-Drivers and Helpers ...	16,320	
Page 125, Budget	Tractor Engineer, his Establishment, Travelling Allowance and Contingencies	13,500	These items seem to be as per Government Order No. A. & F. 4603-6—Agri. 18-45-12, dated the 5th April 1948.
	Agricultural Engineer, his Establishment, Travelling Allowance and Contingencies	14,544	
	For Workshop materials and repairs.	27,624	
	Tractor Service in the State—four units	52,480	

(2) Again there is a lumpsum provision of Rs. 94,164 for Tractor Salaries and Establishment for which no details are given.

Page 125, Budget.

(3) Further, under Post-War Development Schemes.—

Page 299, Budget	"(X) Scheme for Tractor Service in the State— Lumpsum ...	Rs. 3,07,696	(Debitable to the lumpsum provision of Rs. 10,00,000 made for "7. Development Schemes")
	Total provision in the Budget	Rs. 5,33,720	

But the cost of the scheme as sanctioned in the Government Order dated the 5th April 1948 amounts only to about Rs. 1·06 lakhs per annum, as against the provisions to the extent of Rs. 5·34 lakhs made in the Budget as noted above for the several items. This provision of Rs. 4·27 lakhs is therefore unnecessary.

15. The Department is now engaged in— Trading activities should be taken away from Department and entrusted to Rural Development Department.

(1) Distribution and sale of improved seeds;
(2) Distribution and sale of improved agricultural implements;
(3) Sale of manure; and maintenance of all the accounts in this connection.

There are now 205 depots and sub-depots with an annual transaction of Rs. 31·28 lakhs in 1947-48 run by this department and one has only to see any Audit Report regarding these depots to see what irregularities are being committed therein. Why this shop-keeping business

should be entrusted to officers of a technical department who are ill-qualified for such work is not obvious. This is again a work that could well be left to the Rural Development department and as it is the desire of Government to revitalise Panchayets, the entrusting of the work referred to above to Village Panchayets (giving them a handsome commission on sales) is a matter for consideration. This would incidentally assist their finances. Implements and manure may be purchased at competitive rates by Government and the benefit of these rates made over to these Panchayet depots who in turn will make it available to the raiyats levying a small commission for their services. Advances to Village Panchayets may be given for the purchase of these where necessary. In a way, the distribution of manure, etc., by Panchayets will minimise blackmarketting and other attendant evils unless the Panchayet itself connives at these when the evil could be localised and dealt with. We may also utilise Co-operative Societies more and more largely for this purpose and thus take away from these Technical and Scientific men the duties of shop-keepers. If this depot work is taken away, the Agricultural Inspectors and field staff will have plenty of time to attend to their (more legitimate departmental) duties and give timely advice to the raiyat regarding crops, manuring, improved seed and implements to be used, etc. The Madras Retrenchment Committee in making similar proposals observe :—

> "In addition to the subsidy, the Province bears the whole cost of the staff employed for this purpose. The cost on this activity of the department comes to about Rs. 4·70 lakhs. The whole of this will be a saving if the proposal now made is accepted and the distribution of seeds is also done through recognised Co-operative Societies. This arrangement will also lead to a large saving in the establishment, as many of the superior officers devote much of their time in looking after these trading activities and for checking accounts, stores and the transactions and enquiring into the conduct of the officers employed therein."

The position in Mysore also is similar and requiries remedying somewhat on the same lines utilising the services of Village Panchayets and Co-operative Societies, for this purpose.

16. If the above proposal is accepted, the number of Agricultural Inspectors may be fixed on the basis of one for each taluk except in the case of small taluks

where one may be given for two taluks. Of course, additional Inspectors may be given to the Farms and the Agricultural Schools, the cadre being fixed taking these requirements into consideration. Similarly the number of Fieldmen working in the department may be reduced, the scale being fixed taking into consideration the requirements of the Rural Development Department, the several Farms and the Agricultural Schools.

Ministerial Establishment to Scientific Assistants.

17. It is seen that clerks are attached to each of the Scientific Assistants. These offices are treated as separate Units and there appears to be separate correspondence between them and their Head Office. This would be duplication of work. There seems to be no need for separate clerks being given to the Scientific Assistants whose work is one of research. These clerks may be disbanded and the assistance of clerks in the Head Office given to these Scientific Assistants whenever they require for typing report or for similar work. In some sections, there are peons and coolies in addition to the Laboratory workers. Why there should be peons and coolies to these sections is not clear. These also may be cut down.

Agricultural Instruction.—Certain non-recurring items may be deleted.

18. Under Agricultural Instruction (Agricultural College), the following non-recurring items are included—

	Rs.
Building	1,000,00
Laboratory equipment ...	40,000
Furniture	25,000

The Agricultural College has just been started and the large provisions made this year may not be required in the coming years. A saving of about Rs. 50,000 under Buildings, Rs. 20,000 under Equipment and Rs. 15,000 under Furniture may perhaps be anticipated in the coming years.

Vernacular Agricultural Schools.

19. As per statement received from the Director, the number of students in the several schools are noted below.—

	1945-46	1947-48
Ramakrishnapura Agricultural School ...	3	
Somanahalli do do ...	19	22
Sri Krishnarajendra Vyavasaya Dharma Patasala	15	27
Garudapalya	25 (46-47)	21

The following establisment has been given for these Schools :—

1. One Senior Agricultural Inspector as Head Master.
2. One Clerk.

3. One Fieldman.
4. Two Maistries.
5. Two Cooks.
6. One Carpenter-smith.
7. Three Bullockmen.
8. One Watchman.

Superfluous establishment may be retrenched.

For the small number of students, a full-time clerk appears superfluous. Clerks are not given even for Government Middle Schools and it is not known why these Agricultural Schools should have clerks. The Head-Master assisted by the Fieldman could as well be expected to attend to the routine duties of the School. Again each School has two maistries. When there is a Fieldman the need for separate maistries for these small farms is not clear. Two cooks are unnecessary for Schools with such a small attendance and one cook may do. Similarly two out of three bullockmen may be cut out in each of these institutions. There is a provision of Rs. 30,000 for buildings and lands. The building programme may be slowed down and the provision reduced by Rs. 15,000.

Reduction under Special Charges.

20. Under Demonstration and Experiments, the following special charges appear:—

	Rs.
Purchase of materials ...	70,000
Contingencies, rents and other fixed charges	65,000
Other charges	20,000

Under these items a saving of about Rs. 40,000 may be effected.

A reduction of the grants made for Contingencies under other heads may be effected to the extent of 12½ per cent.

Is there need for subsidising manure when higher prices are given for food-grains.

21. A sum of Rs. 10 lakhs is noted as the value of pure seeds given to 'A' farm growers. It is understood that the nomenclature is not correct and this represents subsidy for manure to be given to the raiyats. In order to encourage the production of more food-grains *either increase in prices or subsidy for manure may be given but not both.* In view of the higher price now given for food-grains the *need for giving subsidy for manure ceases.* The grant for subsidy for manure may therefore be deleted.

Purchase of Tractors.

22. For purchase of tractors, a sum of Rs. 9 lakhs has been provided. This is a non-recurring item and it can safely be assumed that it will not repeat. I understand from the Director of Agriculture that some bull-dozers are

to be purchased and that the whole thing (tractors included) may cost about Rs. 13 lakhs in the current year and if the deliveries take place according to schedule no provision would be required from next year onwards. The entire item may be taken as not required to be provided for, in future Budgets.

Grant of advances to private persons for purchase of Tractors.

23. In order however to encourage tractor ploughing on a large scale, we may have to embark on a scheme of giving advances to private persons for purchase of tractors. The amount for this will however be provided under advances and will not be a charge on the Revenue Budget.

24. The provision for Travelling Allowance, in this department under all heads is capable of reduction. Just as in other departments, a general savings of 12½ per cent may be effected on these items.

Improvements of Receipts.

25. The receipts from Tractor Service (Rs. 50,000) are too small. At present a sum of Rs. 4 per acre is being charged for tractor-ploughing of vergin lands and we have 60 tractors working. In view of the huge tractor establishment that is proposed to be maintained, the question of raising the fees to cover at least our actual expenses has to be considered.

26. Under Demonstration and Experiments, I note below the expenditure and receipts under each farm,—showing also the cost of salaries, establishment and cooly labour.

Names of Farms	Expenditure on				Receipts	Expenditure in excess of receipts
	Salaries and Establishment	Cooly Labour	T.A. and contingencies and other charges	Total		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1 Hebbal Farm ...	10,964	20,000	30,736	61,700	3,000	58,700
2 Babbur Farm ...	6,427	18,000	33,573	58,000	12,000	46,000
3 Nagenahalli Paddy Breeding Farm.	3,382	5,000	8,918	17,300	5,000	12,300
4 Irwin Canal Farm	17,435	41,000	76,065	1,34,500	25,000	1,09,500
5 Anjanapur Farm	2,010	3,000	6 990	12,000	1,200	10,800
6 Bikli Farm ...	750	1,500	3,650	5,900	1,000	4,900
7 Hessarghatta Farm for Fruit Cultivation.	2,460	...	1,040	3,500	...	3,500
8 Anandapuram Experimental Farm.	2,754	...	2,000	4,754	...	4,754
Total ...	46,182	88,500	1,62,972	2,97,654	47,200	2,50,454

It will be seen that the receipts are disproportionately small as compared to the expenditure and quite often less than even the labour charges. It is rather strange that

in the Irwin Canal Farm the receipts from sales of jaggery under "manufacture of cream and ordinary jaggery" (I.C. Farm) *should be less than the cost of cane itself.* No *raiyat would take to manufacture of such jaggery if he could sell the cane itself to better advantage.* If these Demonstrations and Experiments are to be useful, they should convince the raiyat that the adoption of the methods advocated would fetch him more money and unless this is demonstrated practically no one will take to them and if as at present these schemes as worked by Government involve net loss we could actually be discouraging people from adopting these methods. It is often argued that these are experimental farms and not commercial farms and so they could not yield profits. If so, the experimental side of the farms should be separate from the commercial portion and it is absolutely necessary that the commercial section of the farms should yield handsome returns and support the experimental side farms like the Irwin Canal farm and Babbur farm, cover extensive areas of splendid land and unless experimental and commercial portions of these farms could be separated so that the excess receipts in the latter could cover the excess expenditure in the former, the size of the farms should be reduced to the minimum necessary for experimental purposes and economy in expenditure thus secured.

27. No receipts are provided for in the following farms.—

Hessarghatta Farm for Fruit Cultivation;
Anandapura Experimental Farm.

This matter requires investigation. Certainly the fruit farm must yield some saleable fruits and Anandapuram farm some saleable produce.

28. On the whole, I consider that at least the excess of expenditure over receipts, *i.e.*, Rs. 2·50 lakhs should be capable of being realised from these farms so as to cover at least the expenditure incurred on them and the Director of Agriculture may kindly be requested to see that this is realised.

Development Schemes.

29. A sum of Rs. 10 lakhs has been provided under Development Schemes. As discussed in Chapter VIII a sum of Rs. 5 lakhs for recurring and Rs. 8 lakhs for non-recurring may be provided for these schemes. The lump-sum allotment may therefore be reduced by Rs. 5 lakhs, any savings in this in the first few years being permitted to be utilised for non-recurring expenditure also.

30. Savings proposed—

		Rs.
1.	Abolition of the post of Director of Agricultural Research	18,000
2.	Abolition of the Civilian Assistant to Director of Agriculture or Accounts Assistant ...	3,600
3.	Abolition of the Additional Deputy Director ...	6,000
4.	Do Superintendent of Farms ...	6,300
5.	Do Two Assistant Bio-Chemists and 6 Maistries	3,600
6.	Abolition of the Temporary Ministerial Establishment at Headquarters	12,000
7.	Abolition of the Staff to Scientific Assistants ...	4,500
8.	Do do in Vernacular Schools ...	1,100
9.	Reduction of permanent ministerial establishment by 12½ per cent at Headquarters (includes reduction proposed by Director)	73.000
10.	Reduction of Travelling Allowance Charges by 12½ per cent	27,500
11.	Reduction of Contingent Charges (General) ...	7,000
12.	Do Grants under Contingencies and Special Charges	40,000
13.	Reduction of Executive Establishment if trading activities are transferred to Co-operative Societies ...	28,500
14.	Provision for separate Tractor Workshop Establishment may be unnecessary	25,000
15.	Curtailment of provision made this year for Buildings, Equipment and Furniture under Agricultural College as not required in future years ...	85,000
16.	Non-recurring allotment made for purchase of Tractors, but not needed in future years ...	9,00,000
17.	Deletion of provision made for pure seeds to 'A' Farm-growers	10,00,000
18.	Extra overlapping provision in the Budget for 1948-49 for Tractor Establishment	4,27,000
19.	Lumpsum allotment for Development Schemes ...	5,00,000
	Total ...	31,73,100
	Stepping up receipts in departmentally managed farms to equal expenditure	2,50,000

27-A. Veterinary Services and Animal Husbandry.

Need for priority for expansion of veterinary facilities consistent with economy and availability of funds.

In the interest of the country's economy and prosperity, the expansion of veterinary facilities and measures for the improvement of livestock are essential and in respect of such schemes of development, therefore, top-priority has to be given. In considering the measures of economy in this department this aspect has been constantly kept in view. It is however necessary that the schemes are properly planned and the pace is regulated with reference to the absolute need and availability of funds. It is equally necessary also that the services are made available at minimum cost. The statement annexed gives the receipts and expenditure of the department since 1938-39. The activities of this department have been expanded considerably during the last two years, the current year's Budget being six times that of 1938-39.

2. In his reply to my questionnaire the Superintendent states that there is no scope for effecting any reduction of work or retrenchment of staff and that on the other hand there is need for further strengthening it and has in fact suggested additional staff for every office and institution on a liberal scale. He has also made suggestions in regard to the expansion of the Serum Institute so as to meet some of the demand of the neighbouring provinces. These and other suggestions for improving Revenue have also been discussed in the note below in the order in which they appear in the Budget.

(1) *Civil Veterinary Charges.*

Reduction in grant for foreign scholarships.

3. (*a*) *Superintendence*:—Training of Candidates in foreign countries.—There is at present a provision of Rs. 1·45 lakhs for scholarships. As the term of deputation of most of the candidates has been completed, a saving under this item might be anticipated. The Superintendent says that in the case of some of these candidates now in foreign countries, extensions of terms have been recommended. If there is to be no extension, a sum of about Rs. 25,000 would be enough for local scholarships and for scholarships tenable in the Indian Dominion, and the rest would be saved. In this connection, I would emphasize the need for sending students for training in India and abroad each year only after calculating our minimum requirements.

(2) Civil Veterinary Hospitals and Dispensaries.

4. *Hospital Necessaries.*—The accounts for 1946-47 was Rs. 30,000 while a provision of Rs. 70,000 has been made for 1948-49. The Superintendent has been requested to make a detailed list in the Hospitals and necessaries for each and thus determine the total amount required. Roughly a saving of Rs. 20,000 may be expected on this account. An expenditure of Rs. 9,000 for maintenance of breeding bulls and Rs. 10,000 for artificial insemination has been provided. There do not appear to be any substantial receipts anticipated on this account. The Superintendent says that it is necessary that the services should be free for some time but as artificial insemination is done only in Bangalore and Mysore where the owners are usually well-to-do and educated, I think we would be quite justified in levying fees. Fees may therefore be levied and a revenue of Rs. 15,000 anticipated on this account.

Levy of fees for artificial insemination.

5. *Serum Institute.*—The receipts and expenditure under this head for the last 10 years are as under.

Serum Institute—Expenditure to be regulated in relation to receipts.

(In lakhs of rupees).

Year	Expenditure	Deduct receipts	Net Expenditure
1948-49 ...	1·42	1·50	—0·08
1947-48 ...	1·11	1·50	—0·39
1946-47 ...	1·05	0·88	+0·17
1945-46 ...	1·04	2·12	—1·08
1944-45 ...	1·56	4·13	—2·77
1943-44 ...	1·89	2·72	—0·93
1942-43 ...	1·02	1·09	—0·07
1941-42 ...	0·75	1·72.	—0·07
1940-41 ...	0·74	1·44	—0·70
1939-40 ...	0·71	0·87	—0·16
1938-39 ...	0·72	1·22	—0·50

While the expenditure has gone up, during recent years, the receipts do not show a corresponing increase. This matter requires investigation. The Superintendent states that he is certain of a net annual income of at least Rs. 50,000 from this Institute. This may be accepted and while admitting expenditure the Comptroller may be requested to arrange drawals keeping this in mind and bringing the matter to the notice of Government when he feels doubtful of the realisations. With regard to the suggestion of the Superintendent to expand the Serum

Institute to meet the demands of the neighbouring provinces I would not recommend this since it is more likely that these provinces would themselves expand their own institutions rather than buy from us and even if they should buy they would not allow us to make large profits. If however they need our serum, we can work overtime, entertain any absolutely necessary temporary establishment and supply the same. No permanent expansion or addition to recurring establishment need be sanctioned on this account.

(3) Livestock and Breeding Operations.

Sheep Farms—unnecessaary expenditure to be curtailed.

6. (*a*) *Livestock Section.*—The amounts noted below have been provided for under Sheep Farms and Sheep-Breeders' Associations.

		Rs.
Provision made in the currrent year's Budget for Establishment (under Appendix 'B').—		
(1) Sheep Farms ...	...	13,608
(2) Sheep Breeders' Associations	...	21,312
(3) Post-War Development Schemes	...	8,700
Other Lumpsum Provisions.—		
(1) Sheep-Breeding Farms ...	...	50,000
(2) Subvention to Sheep-Breeders' Associations		2,500
(3) For the starting of a Sheep Farm at Mulgavalli ...	...	50,000
Total	...	1,46,120

The Sheep Expert who discussed this with me explained that this was necessary to *up-grade* our sheep and encourage our raiyats to take to the rearing of sheep with white wool. The expenditure to be incurred for this propaganda appears however to be out of all proportion to the benefits expected to be derived. The shearers engaged by the department have admittedly no work for the major portion of the year but still they are engaged on a full-time basis and it is understood they work in the Sheep Breeding Associations. We appear to be spoon-feeding most of these Associations and to prevent unnecessary waste of money the assistance to the Associations should, I think, correspond to the benefits the Sheep-Breeders really derive from it. It seems to me also that the propaganda and up-grading work now being done departmentally may best be taken up as an activity of the Rural Development Department and if absolutely necessary we may restrict our activities to one good sheep farm thus cutting down the large expenditure now being

incurred. In view of the absolute need for economy, no new farms need be started which are not likely at least to pay their way. From this point of view the provision for the Sheep Breeding Farms may be cut down, by at least 50 per cent thus saving about Rs. 75,000.

Cattle Breeding Stations—Question of running these as joint stock companies to be examined.

7. Similarly, we have got both Cattle-Breeding Stations and "Dairy and Breeding Station." The number of these Breeding Stations might be limited and as far as possible these stations may be made at least to pay their way. The question of running these as Joint-Stock Companies requires investigation. Cattle-Breeding is, it is understood, a very paying profession in expert hands and instead of Government running these farms, whether it is not better to encourage private breeders requires investigation. I have however not touched the provision under these heads for purchase of Sindhi cows and bulls (Rs. ·80 lakhs) Improvement of Live-stock (Rs. ·40 lakhs) and Dairy and Breeding Stations (Rs. ·10 lakhs) as these may be required as net grants for the proposed schemes regarding cattle breeding.

Price of bulls should not be mixed up in fixing sale price.

8. The Superintendent states that while it costs about Rs. 600 to breed and rear a standard stud bull, bulls are being made available to *bona fied* raiyat-breeders at Rs. 150 a head thus giving a subvention of Rs. 450 per animal. Whether it is not possible (*a*) to reduce the costs of breeding, (*b*) to raise the price at which these bulls are sold and (*c*) sell some bulls in public auction to make up the loss on account of selling bulls at less than cost price to selected breeders and make these farms self-supporting are points for consideration. On the whole as our funds are not unlimited the greatest caution is necessary before such schemes are undertaken *by Government* since if previous experience is any guide they prove in the long run a heavy burden to the Tax-payer.

9. Again with regard to giving stud bulls, either free of cost or at reduced rates to selected breeders, such sales at subsidised rates should not be mixed up with the Receipts and Expenditure on account of Farms and for purpose of accounting the subsidies should be clearly shown in the Budget so that we could have a correct idea of the financial implications and the policy may be revised if such revision is considered necessary. The correct thing appears to me to be to sell the stock *at cost* to the Rural Development Department which may give them to local breeders or Panchayets at such rates as they may fix *the subsidy being borne by that department.*

Amrit Mahal Department. The receipts are far less than Land Revenue on kaval lands.

10. Under Amrit Mahal Kaval Department the expenditure is Rs. 19,500 while the receipts by sale of Amrit Mahal bulls are Rs. 20,000. The income from Kaval lands is only Rs. 10,000, and the Miscellaneous income Rs. 15,000. The Amrit Mahal Department has over 80,000 acres of land, on which it is not paying any Land Revenue. Land Revenue alone on this would be more than Rs. 80,000. Whether we are getting the proper return from these lands required to be examined and I would therefore suggest a Revenue audit of the farm being undertaken immediately.

Poultry Farms— Receipts Poor.

11. Under Poultry Farms, an expenditure of Rs. 34,000 is provided, excluding Duck Farms, while the receipts are only Rs. 5,000. Here again it is not clear why the receipts should be so poor as compared to the expenditure. It is absolutely necessary that in these farms the *receipts* are up-graded in the first instance. The Superintendent stated that the Poultry Section can give better realisations by a planned reorganisation of the Section; starting of large-scale farms wherever facilities exist; establishing egg-grading centres and opening egg and poultry sale depots in Mysore and Bangalore markets. The Superintendent may be permited to go ahead with these reorganisations *provided only that the expenditure is kept well within the receipts* and does not involve substantial net outgoings as at present. Here again, it appears necessary to organise and encourage private enterprise in these matters and as far as possible entrust such work to Co-operative and Joint-stock enterprise.

Duck Farms— Scheme may be deferred.

12. Regarding Duck Farming, a provision of Rs. 42,000 has been made. In this connection it is interesting to note that the Co-ordination and Finance Committee have observed:—

> "Some of the schemes, *viz.*, Establishment of Turkey Farms, Laboratory for Wool Analysis, Salvage and Boarding of dry Cows and Calf Nursery Farms had the merit only of novelty and did not seem urgent."

The etablishment of these Duck Farms is expected to result in a net loss. Unless therefore the scheme could be revised so that expenditure could be fully covered by the receipts, such schemes would have to be dropped. It is also necessary that when these schemes are taken up, they start from small beginnings with minimum capital expenditure and allowed to expand only after we are satisfied that they will pay.

13. With regard to the Development of Fisheries, the Superintendent wanted the right of exploiting fisheries in the tanks, etc., should be entrusted exclusively to this department and the present interference of the Revenue and other departments in this aspect of the departmental work strictly avoided. According to para 397 of the Revenue Manual, raiyats have no unconditional right to the Fishery in the tanks and to the grass-growing on the bunds. They are allowed to enjoy their rights under Rules 17 and 323 of the Land Revenue Rules only when they carry out the annual repairs to the tanks regularly. When they neglect this, the rights will be withdrawn. Actually it is quite well-known that the raiyats *are* neglecting the annual repairs and so these fishery fights could be taken away. Again quite apart from the fishery rights, customary labour is enjoyed by Section 35 (1) of the Irrigation Regulation (*vide* p. 370 of the Land Revenue Manual). While the duties of raiyats regarding customary labour are not being discharged or enforced in the case of a large number of tanks, the atchkatdars have been in many instances anxious to commute this obligation for an acreage cess and it was only the Public Works Department that was not willing to take up this responsibility for want of staff. Conditions have changed considerably since the old days when Public Works Department complained of want of staff to do this work. With the intensification of Rural Department work we are likely to have one Assistant Engineer and a large number of Sub-overseers and Surveyors for each taluk and it ought not to be difficult therefore for Governmentt o take over the duties of maintaining these tanks, levy acreage cess and take away also the fishery rights and resume this to Government thus allowing the conservation and development of fishes incidentally yielding a good revenue to Government. This would also solve, to some small extent at least, our food problem by providing rich and nutritive food. There is a non-recurring provision of Rs. 60,000 for Research Laboratory and Acquarium. This may be reduced to Rs. 20,000 in the coming years. Increases under this head in the coming years may be provided from increased receipts under Fisheries.

Development of Fisheries.

Grass Farms.

14. The receipts and expenditure under Grass Farms during the last ten years is noted below :—

Year	Receipts	Expenditure
	Rs.	Rs.
1948—49	50,000	83,400
1947—48	50,000	78,500
1946—47	1,28,200	74,000
1945—46	50,678	74,234
1944—45	65,665	83,136
1943—44	54,201	67,572
1942—43	41,463	53,811
1941—42	44,778	57,360
1940—41	53,944	32,360
1939—40	41,646	42,333
1938—39	13,986	40,690

The expenditure has generally been more than the receipts. This year the receipts are just equal only to the charges for collection of farm produce and there is a net expenditure of Rs. 33,400. The receipts should be improved. The Superintendent told me that actually the realisation were more and the farms could yield substantial profits. The Superintendent has been requested to get his figures verified by the Comptroller and accepting his statement regarding substantial net receipts in future years, I have taken a net return of Rs. 10,000 and trust that the Superintendent would be able to improve on this.

Hessarghatta Stud Farm.

15. Under Hessarghatta Stud Farm, the expenditure is Rs. 47,000 and no receipts are shown. The Superintendent told me that he is submitting proposals for the conversion of these farms so as to yield better revenues and that if his proposals are accepted, we will have a net income of at least Rs. 50,000. His proposals in the matter require examination and early implementation. I have taken a net receipt of Rs. 25,000 from this source.

Bee-keeping—Need for revision of scheme.

16. Under Bee-keeping the expenditure is stated to be Rs. 11,000 and no receipts are shown. Here again, the Superintendent stated that there would be a net Revenue and has noted in his reply to my questionnaire that the revenue may be improved by increasing the present rates for hiving, supply of queen bees, supply of colonies, centage charges on equipment supplied, organising honey co-operative societies, etc. But according to Government Order No. A.&F. 2960-70—A.H. 117-17-2, while the expenditure in the fifth year when the scheme

comes into full operation will be Rs. 1,05,000, the receipts would be only Rs. 18,500 and there would thus be a loss of Rs. 86,500 per annum. When this was pointed out, the Superintendent said that private bee-keeper will get Rs. 1,50,000. To spend nearly one lakh from General Revenues to enable private persons to earn Rs. 1,50,000 is not good public finance. The scheme should therefore be revised at once so as not to be a *net* charge on our Revenues except to the extent of supervisory establishment.

Economies under establishment.

17. Regarding economies under establishments, etc., a detailed statement of existing establishment and the minimum needs of the department for carrying on the work efficiently was asked for. I have however been able to obtain statistics relating to the work done in the Superintendent's Office only. The Superintendent said that he would obtain and send the statistics regarding other offices. It will be seen from the report of the Superintendent, that instead of suggesting economies he has asked for considerable additions to the existing staff for every Branch of his department.

Suggestions for economy in ministerial staff.

18. From the statistics furnished in respect of the Head Office it is seen that while there are 15 clerks excluding 3 Accounts Clerks, 1 Cashier, 1 Head-Accountant and a Manager, the total number of papers received is only 20,000. Assuming that at least 10 papers should be attended to by each clerk per day and there are 250 working days the number of clerks required for this office *would only be 8*. It is thus obvious that there is more staff than necessary and no additions are called for. There is also one Stenographer and two Typists for this office. It seems to me that there may be a reduction of at least one Typist. A cut of 12½ per cent in the existing staff of the Snperintendent's Office may therefore be easily imposed. The Superintendent has asked for an additional Accountant and a Typist for each of the District Veterinary and Livestock Offices. No statistics to support this increase is forthcoming. This need not therefore be sanctioned. The existing establishment in these offices may, however, continue. Regarding the Superintendence, Serum Institute, the office seems to be overstaffed. Reference is invited to my U.O. Note No. 323—47-48, dated the 24th June 1948, regarding the number of Menial staff. The Sheep Development Officer has got one Accountant and two Clerks and additional staff has been asked for. The need for the additional staff is not at all clear and the request need not be considered.

The Amrit Mahal office also appears to be over-staffed. A 12½ per cent cut may be imposed here. While the Bangalore Veterinary Hospital has only 2 Salustries, the Mysore Hospital has 3 Salustries. The number in the Mysore Hospital appears to be capable of reduction.

19. For all Hobli-type Veterinary Dispensaries, the need for a peon is not clear. There is a Compounder and a Dresser. This may be enough. The peon may be dispensed with.

20. With regard to the additions to staff asked for in the other institutions, the number already sanctioned appears to be too much. A 12½ per cent reduction may easily be imposed. Additions have been asked for, for the Hessarghatta and other Poultry Farms. As already stated these farms should be made *at least* self-supporting and in this view requests for additional staff should be discountenanced unless the farms are made self-supporting. Again with regard to these farms it seems desirable not to make additions to the permanent recurring establishment but to provide a lumpsum for establishment so that temporary staff may be engaged as and when necessary and disbanded when the work ceases. It seems also desirable to put all this farm staff on a Provident Fund basis instead of on the Pension system and incentives created to make these farms paying.

Technical Establishment. Review of requirements by a Committee.

21. I have not commented in this Note regarding the strength of the Technical Establishment and if all the departmental officers have enough work. A departmental Committee may go into this question and suggest suitable economies. A lumpsum provision of Rs. 3 lakhs has been made in the Budget for Development Schemes such as Dairy Farms and Duck Farms. I have already referred to the expenditure relating to the Cattle Breeding Stations which will in addition be Dairy Farms and Duck Farms. The question of Financing Development Schemes has been considered separately in another Chapter and it will be seen therefrom that a lumpsum recurring expenditure of Rs. 1·5 lakhs would be necessary. The lumpsum provision of Rs. 3 lakhs may therefore be reduced to Rs. 1·5 lakhs.

22. The economies and measures for improving Revenue noted below are suggested:—

	Savings.	*Improvements in Revenue.*
Civil Veterinary charges—		
Scholarships—	(Rupees in lakhs)	
As the term of the most of the candidates now undergoing training in foreign countries has been completed, the scholarship amount may be reduced from Rs. 1·45 lakhs to Rs. 25,000, the number of scholarships being fixed according to the requirements of the department	1·20	...
Civil Veterinary Hospitals and Dispensaries—		
The present grant is Rs. 70,000. A saving of Rs. 20,000 may be effected ...	·20	...
The receipt from fees to be levied for artificial Insemination and for Covering by the Breeding Bulls maintained by the department—		
A receipt of Rs. 15,000 may be anticipated		·15
Serum Institute—		
A net receipt of Rs. 50,000 may be anticipated against Rs. 8,000 now		·42
Livestock and Breeding Operations—		
Sheep-breeding, etc., the grant may be cut down by 50 per cent thus saving about Rs. 75,000.	·75	...
Dairying and Cattle Breeding Stations—		
The net receipts may be increased by another Rs. 25,000		·25
Duck-farming at Hessarghatta—		
This may be omitted	·42	...
Poultry-farming—		
The receipts may be increased by another Rs. 10,000		·10
Development of Fisheries—		
The capital grant for Research Laboratory and Acquarium may be reduced to a recurring grant of Rs. 20,000	·40	...
Grass Farms—		
The Superintendent anticipates net receipts. At present there is a net expenditure of Rs. 33,400. Keeping the net receipts at Rs. 10,000 an improvement of revenue of Rs. 43,000 may be anticipated		·43

	Savings. Improvements in Revenue (Rupees in lakhs)	
Hessarghatta Stud Farm—		
The Superintendent expects that this will be a very paying farm. There is a net provision of Rs. 47,000. Keeping the net receipts at Rs. 25,000 an improvement of a revenue of Rs. 72,000 may be expected	...	+·72
Expenditure—		
The grants for staff may be reduced by 12½ per cent	·86	...
Similarly the grants for T.A., Contingencies and other charges may be reduced by 12½ per cent	1·38	...
Lumpsum provision for Development Schemes ...	1·50	...
Total ...	6·71	2·07

Statement of Receipts and Expenditure since 1938-39 to 1948-49.

Receipts.

Particulars	1938—39	1939—40	1940—41	1941—42	1942—43
1	2	3	4	5	6
1. Veterinary Receipts ...	Rs. 2,887	Rs. 2,137	Rs. 5,324	Rs 4,454	Rs 6,300
2. Amrit Mahal Receipts ...	30,269	29,736	36,311	30,643	44,226
3. Fishery Receipts ...	...	...	...	...	...
Total ...	33,156	31,873	41,635	35,097	50,526

Particulars	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
	7	8	9	10	11	12
1. Veterinary Receipts ...	Rs. 12,743	Rs. 20,046	Rs. 15,376	Rs. 47,186	Rs. 35,000	Rs. 20,000
2. Amrit Mahal Receipts	37,472	34,498	47,455	78,917	45,000	45,000
3 Fishery Receipts ...	...	...	3,703	18,654	45,000	50,000
Total ...	50,215	54,544	69,534	1,14,757	1,25,000	1,15,000

Expenditure.

Particulars	1938—39	1939—40	1940—41	1941—42	1942—43
1	2	3	3	5	6
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Civil Veterinary charges ...	3,21,046	3,12,942	3,67,223	3,89,430	3,54,043
2. Serum Institute ...	—50,436	—16,462	—69,948	—97,607	—97,727
3. Live-stock and Breeding Operation.	89,360	86,805	84,293	1,03,970	99,796
4. Development of Fisheries commenced from 1941-42.	...	...	4,932	12,714	12,205
5 Bee-keeping ...	3,206	4,666	1,161	33	...
6. Grass Farms ...	26,704	689	—584	12,582	12,348
7. Hessarghatta Stud Farm ...	...	...	...	...	...
8. Lumpsum for Development Schemes.	...	...	...	...	...
9. Deduct Expenditure met from Special Reserve Fund.	...	...	...	...	...
10. High Price and Dearness Allowance.	...	...	...	...	...
Total ...	3,89,870	3,88,640	3,87,077	4,21,142	3,80,665

Particulars	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
	7	8	9	10	11	12
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Civil Veterinary charges.	4,82,429	5,80,342	5,09,718	4,50,931	6,99,000	9,29,200
2. Serum Institute	—83,565	—2,77,555	—1,08,066	17,103	—38,200	—7,800
3. Live-stock and Breeding Operation.	1,00,343	1,25,944	1,80,784	1,96,753	2,99,000	4,43,700
4. Development of Fisheries commenced from 1941-42.	9,217	10,123	16,254	21,086	28,900	92,500
5. Bee-keeping ...	...	...	...	5,021	7,400	11,000
6. Grass Farms ...	13,371	17,478	23,556	...	28,600	33,400
7. Hessarghatta Stud Farm.	...	...	...	...	23,300	47,000
8. Lumpsum for Development Schemes.	...	...	...	26,261	1,00,000	3,00,000
9. Deduct Expenditure met from Special Reserve Fund.	...	...	...	26,261	1,00,000	...
10. High Price and Dearness Allowance.	...	...	...	...	...	2,93,000
Total ...	5,21,795	4,56,327	6,22,246	6,92,694	10,47,000	21,42,000

27-B.—Horticulture.

Statistics of receipts and Expenditure.

This is one of the departments in which the expenditure has increased very considerably in recent years the receipts remaining insignificant. The figures of receipts and expenditure under the several sub-heads since 1938-39 are noted below :—

[In lakhs of rupees.

Minor Heads	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
RECEIPTS.											
Horticultural Receipts.	0·07	0·06	0·06	0·06	0·09	0·19	0·32	0·18	0 19	0·40	0·19
Hill Stations.	(Details of receipts prior to 1946-47 are not readily available.)								0·07	0·07	0·01
Total Receipts	0·07	0·06	0·06	0·06	0·09	0·19	0·32	0·18	0·26	0·47	0·20
EXPENDITURE.											
1 Direction ...	0·33	0·34	0·34	0·38	0·40	0·41	0·32	0·26	0·37	0·61	0·45
2 Botanical and public gardens.	1·35	1·29	1·58	1·38	1·28	1·25	1·37	1·46	1·49	1·85	2·17
3 Horticultural Farms	0 45	0·11	0·09	0·01	0·34	0·22	0·78	0·94	0·64	0·56	0·78
4 Development of Horticulture in the State.	...	...	...	...	...	...	...	...	...	0·18	0·69 (*a*)
5 Hill Stations.	0·12	0·14	0·11	0·12	0·12	0·16	0·21	0·32	...	0·26	0·14 (*b*)
6 High Price and Dearness Allowance.	...	...	...	...	...	...	...	...	...	...	1·00 (*d*)
Total Expenditure.	2·25	1·88	2.12	1·84	2·14	2·04	2·63	2·48	2·30	3·46	3·23 (*c*)

(*a*) Development of Horticulture (Minor Head newly added).

(*b*) Hill Stations (transferred from 24. Civil Works).

(*c*) The expenditure includes a provision of Rs. ·33 lakhs for Revision of Scales of Pay.

(*d*) This was being shown in previous years under "32 (*b*) Expenditure Connected with the War."

Reorganisation of the department.

2. The expenditure which was Rs. 1·88 lakhs in 1939-40 has now risen to Rs. 5·23 lakhs. Prior to 1947, the activities of the department were confined to mere maintenance of parks and gardens and horticultural farms and most of the work was limited to two Cities. In August 1947, Government sanctioned certain proposals for extension of Horticultural work to all the districts, establishment of combined nursery and demonstrations in seven more district headquarters, creation of Circle Office at Shimoga

(with an Officer on Rs. 150—10—175) and subordinate establishment, etc. Five more Horticultural Inspectors and certain additional establishment to the Head Office and various sections of the Gardens Department, were also sanctioned. These account mainly for the provisions, under the newly opened head "Development of Horticulture" and some increases under other heads in the Budget of 1948-49. It is too early at present to have a clear idea of the total cost that would be involved when this scheme is fully brought into effect. The objective appears to be "to develop the aesthetic taste of the public combined with practical advantage and to provide advice and inducement to the people to plant useful trees, vegetables, etc., in their houses, public places and places now left unattended."

Increase of Expenditure on Salaries and Establishment.

3. The expenditure on salaries and establishment has risen from Rs. 1·44 lakhs in 1947-48 (Budget) to Rs. 2·37 lakhs in 1948-49 (Budget). The increase is partly due to the revision of scales of pay and partly to increases on numbers. There are only two Gazetted Officers—the Superintendent and a Gazetted Assistant—costing about Rs. 10,000 and all the rest of the expenditure is on account of non-gazetted and inferior staff. In addition, there are lumpsum grants provided for the following :—

	1938-39	1948-49
	Rs.	Rs.
1. Temporary Labour	22,587	38,500
2. Cooly Labour	10,251	39,500
3. Seeds and Plant	759	8,500
4. Manure	...	5,400
5. Other Charges	...	16,800
6. Contingencies	30,813	39,600
7. Travelling Allowance	3,078	8,900

The major portion of the establishment thus consists of gardeners, temporary labour and cooly labour. Large sums are also provided for under Contingencies, manure, seeds, implements, etc. Unless there is constant supervision by a vigilant staff and *efficient audit*, there is always the risk of waste.

Need to enforce lumpsum cuts.

4. The Superintendent, Government Gardens, who had been requested to give suggestions for effecting economies if any and for securing increased revenue, states that the existing establishment is the minimum necessary to carry out the objects of the department. This statement cannot be challenged unless a factual examination of details is made. There is however no risk

involved in cutting down the grants to a department like this when conditions require the strictest economy in Government expenditure. The Superintendent may therefore be requested to secure a reduction of at least 25 per cent under "Establishment" and "Labour" charges and of 20 per cent under "Contingencies and Other Charges." He may also be requested to investigate if it is not possible to give up maintaining some of the gardens attached to official residences at Government expenses *leaving it to the occupants to maintain the garden* or at least to cut down the expenditure to a minimum.

Increase in Revenue.

5. As regards improvement of revenue, the Superintendent has no suggestions to offer and says that the department is "more a service department than a source of income to Government." He, however, adds that the income of the department would be increased considerably with the starting of the District Nurseries that are being opened and sale of plants therefrom. It may be pointed out that the department manages several farms, fruit orchards, etc., and there ought to be considerable scope here for economy in costs and for obtaining better yields and thus save in expenditure and earn more revenue. Prevention of leakage of revenue is also a very important thing to be ensured in this department. For instance, in the Lal-Bagh there are a good number of fruit trees, tamarind, etc., but the receipts are only Rs. 2,000 which presumably includes hire charges of glass house. The Superintendent should see if the Revenues could not be improved. Similarly there are no receipts under parks and gardens. There must certainly be several fruit-yielding and other trees in these gardens capable of yielding revenue. So also under Cheluvamba Vilas Gardens and the various Government Offices and buildings the gardens of which are managed by this department. The vacant areas in Cheluvamba gardens may be leased out for growing foodgrains thus securing more food and also income from lease.

Horticultural Farms.

6. Under Horticultural Farms, in the Bangalore Horticultural farm the expenditure is Rs. 15,000 while the receipts are only Rs. 7,600. The revenue is disproportionately small. A mere "lease" of this area to Tigalars would have brought us a very good net revenue and the Tigalars would have made a living out of it. I do not however wish to press this matter further as the Superintendent says that he has recommended the abolition of this farm.

Fruit Research Scheme.

7. A sum of Rs. 15,000 for non-recurring and Rs. 26,200 for recurring, is provided under "Fruit Research Scheme." I presume this relates to the Fruit Research Station at Hessarghatta. I find that a provision of Rs. 3,500 has been made in the Agricultural Budget also (*vide* page 127 of the Budget) under "Hessarghatta Farm for Fruit Cultivation." Why there should be provision for this activity under two departments is not clear. *There are also no receipts shown under either of these heads.* The non-recurring grant in the current year Budget may be taken as savings as this will not recur and a Revenue of Rs. 10,000 taken against Rs. 15,000 which the Director of Agricultural Research anticipates.

Brindavan Gardens.

8. An expenditure of Rs. 19,400 has been provided for under "Brindavan Gardens" in the Budget of this department, while certain other items of expenditure of this garden as also the receipts from the garden are exhibited under XXV K.R.S. Irrigation Works. To show the results of working correctly all the expenditure relating to this garden may appear in one place and therefore the expenditure included under "Horticulture" for this garden may also be included under working expenses of Krishnarajasagara. The receipts now realised from the garden do not cover the expenditure incurred *vide* details noted below and I have therefore separately proposed increase of the rates of fees and tolls levied:—

	Receipts.	*Expenditure.*
	Rs.	Rs.
1946-47 ...	16,916	32,271
1947-48 ...	16,900	42,710
1948-49 ...	19,600	46,400

Orchard at K.R.S.

9. No sale proceeds are indicated in the Budget under the Orchard at Krishnarajasagar. The Superintendent has, however, furnished a statement showing receipts as noted below. Why these receipts do not appear in the Comptroller's Account requires examination. The Orchard is working at a loss while similar areas *under private management* yield handsome profits:—

	Rs.	a.	p.
1947-48	2,723	2	0
1946-47	1,262	4	7
1945-46	1,605	15	4
1944-45	1,161	5	2
1943-44	2,669	7	7

Maddur and Mandya Farms.

10. Again the receipts under Maddur and Mandya farms are far less than the amount spent for temporary

cooly labour, plants, seeds and other charges. These are fertile areas with modern irrigational facilities. They are by no means experimental plots. *These farms should not be permitted to work at a loss. In the alternative they should be closed down.* I do not see the use of these farms for demonstration or propaganda, if the results of working *as demonstrated* should result in loss. The lands comprised in these farms are very valuable, the lands in Mandya tank having been in demand at one time for over Rs. 2,500 per acre and we should not be losing in this manner over these farms in the attempts by this department to popularise vegetable growing :—

	Rs.	Rs.
Horticultural Farm, Maddur.—		
Expenditure	15,900	9,000
Receipts	6,000	4,000
Net Expenditure ...	9,900	5,000

Hill Stations.

11. Regarding Hill Stations, the expenditure is Rs. 13,700 while no receipts are shown. The Superintendent, Government Gardens, however, says that the receipts were about Rs. 7,800 in 1946-47 and Rs. 6,500 last year. The receipts should be shown as a deduct entry under this head. If these Hill Stations are made popular by more intensive propaganda and arranging for transport and other necessary facilities for tourists they would certainly bring in net additional revenues instead of being a liability as at present. The rates now levied may also be increased. This also requires examination.

Development of Horticulture.

12. With regard to the expenditure under the sub-head "Development of Horticulture in the State," how far this could be integrated with the Rural Development Scheme particularly in Rural areas in which the development of Horticulture is an important item is a matter for examination. It would be merely duplicating agencies if the Horticultural Department and the Rural Development Department should have parallel agencies working in the same area. I would therefore suggest that except the controlling establishment all the other charges relating to horticultural development in the rural areas be met by the Rural Development Department Budget and the District and Taluk Development Committees made to take over this important work. No receipts are also shown under this head. Some Revenue from sale of plants, etc., ought to be realised and I have therefore taken Rs. 10,000 provisionally as receipts.

13. The Superintendent has suggested the cutting down of the following establishment and this may be accepted :—

		Rs.
1.	Sunkal Farm	14,000
2.	Silver Jubilee Orchard, Hassan ...	1,500
3.	Hill Stations :— Sri Krishnarajendra Hill Station ...	13,000

The provision of Rs. 13,000 under Scholarships Horticulture is non-recurring and in any case it has been suggested that hereafter only Loan Scholarships need be given. The provision may therefore be reduced.

Savings that may be secured if the above proposals are accepted, is noted below :—

	Rs.	Rs.
On Establishment, on Labour ...	65,500	75,000
On Contingencies	9,500	
Scholarships	...	13,000
Omission of non-recurring charges.	...	15,000
Total		1,03,000

Under Fruit Research Schemes the following amounts may be anticipated as additional receipts to be obtained from the Hill Stations Farms and Fruit Research Station :—

	Rs.
Hill Stations	4,000
Horticultural Farm, Mandya	9,900
Do Maddur	5,000
Orchard at K. R. S.	7,400
Receipts from Fruit Research Station ...	10,000
Additional receipts from Lal-Bagh ...	5,000
Receipts from District Nursery opened as a part of the programme of Development of Horticulture in the State	10,000
Total ...	51,300

27(C).—Sericulture.

Receipts and Expenditure of the department.

This is one of the departments in which the expenditure has grown very considerably in recent years. The expenditure under the several sub-heads (as well as the receipts) since 1938-39, is noted below :—

[In lakhs of rupees

Minor Heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
1 Direction Superintendence.	·24	·28	·18	·20	·14	·15	·16	·17	·14	·16	·16
2 Demonstration and Experiments.	·48	·96	·05	·01	·51	·23	·11	·08	·07	·11	·06
3 Organisation and Assistance.	1·18	1·01	·62	·86	·23	·55	·40	·44	·55	·14	·36
4 Farms ...	4·70	3·62	3·88	3·44	3·23	2·78	2·75	2·31	1·44	1·22	1·26
5 High Price and Dearnes Allowance.	·63	...	...	...	...	...	...	...	...	...	...
Total ...	7·18	5·27	4·62	4·51	4·11	3·69	3·46	3·00	2 20	1·63	1·80
6 Deduct Sericultural Receipts.	1.50	1·50	1·85	1·84	1·92	1·67	1·52	·99	·50	·50	·42
Net Total ...	5·68	3·77	2·77	2·67	2·19	2·02	1·94	2·01	1·70	1·13	1·44

Expenditure on Development Schemes not included in the above.

It may be added that the above figures do not give a complete idea of the total amount spent in view of the fact that large amounts spent, or proposed to be spent, on development schemes are to be met from Development funds and are not included in the above. For instance, in the Budget for 1948-49 provision has been made for lumpsum grants out of the Sericultural Development Fund as under and these do not appear in the above statement.

	Rs.
(1) Demonstration and Experiment ...	1,00,000
(2) Organisation and Assistance.—	
New items :—	
Starting Silk Farms	65,000
Hill Station, B. R. Hills	30,000
Hill Station, Nandi	15,000
Seed Cocoon Farms	1,10,000
Seed Supply and Silk-worm Seed Control Scheme	1,63,000
Sericultural Institute	2,70,000
Total ...	7,53,000

In the absence of details regarding these schemes, no idea can also be formed of the extent of recurring commitments under several heads and their effect on the future level of permanent expenditure of the Department.

Silk Development Fund.

2. With regard to meeting such expenditure from the Silk Development Fund it may be stated that the Silk Development Fund was created during the last War (being one-third of the profits realised by sale of surplus silk auctioned among the licensed traders and trading organisations), and the Fund was intended for the general development of the industry and for financing special schemes, if any, in that connection. How far the abovementioned schemes can be considered to be special schemes to be financed from this fund is a point for consideration. It may be added that *no* further credits to the Fund can be anticipated as the system of 'Silk Controls' and auctions then in vogue no longer exists. In the interest of development of the industry and of financial prudence I would strongly urge that instead of utilising the corpus of the fund as above only the interest from this Fund be utilised to finance these Development Schemes.

Detailed information for formulating proposals for economy not available.

3. The Sericultural Department was reorganised in 1946, but since then several new developments have taken place adding to the expenditure of the department. The Superintendent of Sericulture who was asked to supply information regarding the increases in staff and reasons for the same, allocation of staff, distribution of work, relative urgency of postwar schemes, etc., has not sent any detailed information at all and has merely stated that his department is short of hands and that no economies are possible. In these circumstances, I am very much handicapped in making definite proposals for effecting economies or suggesting methods of augmenting revenue in this department.

Need to scrutinise Development Schemes to avoid waste.

4. I am fully conscious that the Silk Industry is a very important one in our State and that in the interest of the economic development of the large number of people engaged in that industry no expenditure really needed for its development on sound lines should be grudged. It is, however, necessary to see that the money allotted is spent to the best advantage and that there is no avoidable waste. As already stated, large amounts have been provided in the Budget in the shape of lumpsum grants for capital expenditure and for development schemes. Unless every one of these schemes has been

carefully scrutinised in respect of its administrative as well as financial aspects, and the pace of progress decided upon taking into consideration availability of materials, etc., no object is gained in merely making provisions in the Budget. The system of allotting large lumpsum grants for schemes the details of which have not been fully worked out and the full financial implications (present and future) studied, is frought with danger and has to be resorted to only very rarely.

5. The Superintendent says that there are now about 50 vacancies in the executive staff and there is dearth of trained men for carrying on even the normal work of the department. If the department could work with all this shortage the inference that some curtailment of the sanctioned scale is possible is irresistible. Again when there is difficulty in finding personnel for carrying on the items already taken up, it is not clear how the Superintendent expects to find personnel for the fresh development schemes—for which lumpsum allotments are made—during the current year. My own impression is that there is little chance of the best results being obtained if money is to be spent merely on buildings and equipment, etc., in an ill-balanced way without making sure that the requisite personnel to make the most advantageous use of them is available.

Economies in Expenditure.

6. Regarding effecting economies,—in the absence of statistical details, etc., I am unable to suggest specific items in salaries, establishment, travelling allowance, etc., for retrenchments and I would therefore recommend a 12½ per cent cut on these items in the existing provisions. A sum of one lakh of rupees has been proposed to be met from the Silk Development Fund for establishment of a Silk Conditioning House, quarters for the staff and air-conditioning equipment. Whether the programme of building quarters cannot be slowed down till conditions improve requires examination.

Sericultural Co-operation, Seed Campaigning and propaganda may be attended to by the Rural Development Department.

7. Under Organisation and Assistance, a sum of Rs. 3,600 is proposed for Sericultural Co-operation and Rs. 16,400 for Seed Campaign and Rs. 4,900 for Propaganda. Whether all these could not be attended to by the Rural Development Department out of Rural Development grants but under the technical control of the Sericultural Department is a matter for examination.

Government Farms.

8. Economies would also be possible in the expenditure now incurred on Government Farms. After all, there is no reason why these farms should not yield *at least*

what we spend on them. We are now spending Rs. 4·70 lakhs on farms as noted below and we are getting, as per Budget, against this only Rs. 1·50 lakhs. It looks to me as if the expenditure is inflated and receipts under-estimated. Reduction in expenditure and increase in receipts ought to be possible.

	Rs.
Salaries, Establishment, Travelling Allowance, etc. ...	157,100
Farms Section—Manure Labour	54,000
Rearing	17,000
Rents on lands and buildings	2,200
Buildings	6,600
Purchase of Cocoons, labour, etc.	234,000
Total ...	470,500

Aided Grainages.

9. Even with regard to Aided-Grainages, there is really no need for giving any subventions to grainages which are well established and working at a profit, nor is it necessary to give aid or subvention to grainages that are inefficient and not properly working. While in order to encourage the starting of these grainages aid may be given in the initial stages but it does not appear *necessary to grant it for all time nor to support inefficient grainages* by Government subsidies. By limiting therefore aid to these grainages only to deserving grainages and that only for two years the subvention now given to grainages can be considerably reduced and the present provision of Rs. 75,000 reduced to Rs. 30,000 the aid being restricted to grainages newly started and for a maximum of two years, *i.e.*, or till they are firmly established whichever is earlier.

Excise Duty on Silk.

10. Sri Bhoopalam R. Chandrasekharaiah had, in his note (of November 1946) appended to the Report of the Committee for Co-ordination and Finance, observed as under:—

> "The levy of an Excise duty on silk for which I have been agitating for more than a year will bring in a revenue of more than a crore of rupees. The burden will fall entirely on the luxurious rich and the raiyat will not be hit by the tax at all. I strongly urge upon Government to concentrate on this source of revenue."

When requested to send me a note in the matter in case he still considered that this was a fruitful source of revenue, Sri Bhoopalam wrote to me on 23rd June 1948 intimating that although prices had fallen since he wrote the above, he still considered that the " Excise Duty

on Silk" was a "fruitful source of revenue provided it is levied in such a manner as to fall on the rich consumer of the article." He estimated the production of raw silk in Mysore at 30 lakhs of pounds and that at about Rs. 5 a pound the revenue would be more than a crore of rupees, but that "the manner in which and the point at which it is to be levied requires proper detailed study of the whole subject." He also promised to prepare a note on the subject and send me, and so far this has not been received. In effect his proposal would be an increased rate of "Sales-Tax" on Silk goods. How far our silk could bear such a tax without affecting the maket requires examination. The suggestion is, however, placed before Government for due consideration in consultation with experts and the representatives of the several interests involved.

Reductions Proposed :—

	Rupees in lakhs.
12½ per cent cut on Establishment, Travelling Allowance, etc. ...	·82
Reduction under Bonus to Aided Grainages	·45
	1·27
Increase in Revenue suggested	1·00

XXII AND 28—INDUSTRIES AND COMMERCE.

Organisation of the department.

This department was formed tentatively in 1913, and subsequently organised on a permanent basis in 1917. The objective of the department has been, mainly and professedly the stimulation of private enterprise and private initiative in furtherance of an active policy of fostering and developing the industrial growth of the State.

The Retrenchment Committee of 1931 observed that as a result of the activities of the Industries Department, mechanical knowledge had been to a certain extent disseminated, primary industries modernised by introduction of power, and industrial education had been generally promoted. They further observed that Mysore was primarily an agricultural country and if an industrial atmosphere was to be created, it could best be done by the development of rural, cottage and home industries, and those that are subsidiary to agriculture and that "under the present trade and financial conditions, the scope of the Industries Department cannot usefully extend beyond giving *somewhat elementary advice* and help to small industrial concerns and cottage industries, mainly in the direction of collecting information and making it readily available to those in need of it." The Second World War no doubt gave a great fillip to the Development of Industries in the State but as far as the activities of the Department are concerned, it may not be wrong to say that what was said in 1931 still holds good.

Statistics of Receipts and Expenditure.

2. The statement below gives figures regarding the Receipts and Expenditure of this department since 1938-39 under Minor Heads.

(Rupees in lakhs)

Minor Heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1240—41	1939—40	1938—39
RECEIPTS											
1 Broadcast Licence Fees.	1·00	·90	·81	·50	·41	·45	·49	·44	·29	·16	
2 Boiler Inspection Fees.	·10	·10	·06	·04	·07	·07	·12	·10	·11	·07	·31
3 Other Receipts. (c)	·20	·20	1 28	1·13	·86	2·53	·21	·26	·17	·16	
4 Drug Licence Fees.	...	...	...	...	...	·09	...	...	...	...	...
5 Deduct—Refunds.	·06	·15	·32	·05	·17	·03	·06	·01	·01	...	...
Total ...	1·24	1·05	1·83	1·62	1·17	3·11	·76	·79	·56	·39	·31

(c) Meeting Fees, Patent and Design Fees and other Miscellaneous Receipts.

(Rupees in lakhs)

Minor Heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
EXPENDITURE.											
1 Direction ...	2·09	2·07	1·60	1·45	1·36	1·37	1·20	1·23	1·22	1·21	1·14
1-A Management of Large Industrial Concerns.	...	...	·04	·12	·02	...	...	...	...	—·01	·01
2 Minor Industries Capital Account.	·01	·01	·01	...	...	...	...	...	·01	...	...
3 Minor Industries Revenue Account.	...	...	—·21	—·04	—·02	—·01	...	...	·01	·01	...
4 Demonstration and Experimental work.	5·09	4·74	2·89	1·71	1·81	1·17	1·10	1·27	·84	·69	·60
4A Subsidy towards loans granted to educated Unemployed persons.	...	...	·66	·19	...	...	...	...	...	...	...
5 Industrial Schools.	14·88	9·51	5·62	5·82	5·20	9·8	·93	1·05	·95	1·01	1·14
6 For Development Schemes.	...	·05	...	...	...	...	...	...	...	...	...
6A High Price and Dearness Allowance.	1·78	...	...	...	...	...	...	...	...	...	...
7 Deduct charges of Industrial Schools transferred to 26—Education.	...	..	...	...	...	...	...	...	...	..	...
6 Expenditure met from Special Reserve Fund.	...	...	...	...	...	...	...	...	...	...	...
Total ...	23 85	16·39	10·61	9·25	8·87	3·51	3·23	3·55	3·03	2·91	2·89

NOTE.--In the Budget, the total expenditure on "Industrial Schools" is ultimately transferred from "28. Industries and Commerce" to "26. Education—2. As these Schools are administered by the Industries and Commerce Department, for purposes of this Note the Expenditure on "Industrial Schools" is also included in Industries and Commerce.

There has been a large increase in the expenditure under the several heads noted below as compared with 1938-39.

Heads	1938-39	1948-49	
	Rs.	Rs.	
1 Direction ...	1,14,364	2,09,100 (Includes a provision of 20,200 for Revision of scales of pay)	
4 Demonstration and Experimental works.	59,601 (includes 15,620 for Rural and Minor Industries).	5,09,200 (includes 3,36,000 for Rural and Minor Industries, and large additions under Textiles and Yarn Depot Establishment).	
5-A Registrar of Trade Marks.		12,300	
6 Industrial Schools.	1,13,655 (No occupational Institute in existence.)	14,88,000 (includes Occupational Institute) ...	7,46,300
		or	
		3,41,700 (omitting the marginally noted items*). Lumpsum for Institute at Mysore ...	1,50,000
		Lumpsum for Institute at Davangere.	2,50,000
			11,46,300
High Price and Dearness Allowance.	1,78,300		

The Occupational Institute at Bangalore is not under the control of the Director of Industries and Commerce, and the proposed Institutes at Mysore and Davangere, have not come into being yet. Omitting these, the total expenditure incurred under the control of the Directors in the Industries and Commerce Department (excluding that of Industrial Concerns shown under Revenue Heads) would be Rs. 12,50,600 in 1948-49 as against Rs. 2,89,585 in 1938-39.

The Director.

3. There have been several changes in the administrative set up of this department since 1938-39, and it is difficult to assess to what extent the charges of the individual officers have become heavier or lighter on this

account. In 1939, there were three Heads of Departments:—

(i) Director of Industries and Commerce;
(ii) Director of Sandal Oil Factory;
(iii) Government Director of Industrial Concerns.

Of these, (ii) and (iii) had no separate gazetted establishment under them beyond the staff in direct charge of the industrial concerns under them. It was only the Director of Industries and Commerce who had three gazetted Assistants—one dealing with Accounts and Finance and two dealing with administrative work. This Director was in charge of the general work in the districts, Industrial Works, Weaving Demonstrations, Labour and Workmen's Compensation, Inspection of Factories, Marketing etc., now, however, the Director has been relieved of the work relating to weaving, the same having been assigned to the Additional Director. The work relating to Labour and Workmen's Compensation, etc., has been completely taken over by a separate whole-time Labour Commissioner and Marketing has been transferred to the Registrar of Co-operative Societies. The work relating to Rural and Cottage Industries also has since been placed under an Additional Director belonging to the cadre of Deputy Commissioners. Really, therefore, the work of the Director of Industries and Commerce must have been considerably lightened. The Director is, however, Chairman of several Government and Government-sponsored private concerns, but as each of these concerns has separate self-contained establishment with an executive head as General Manager, the work relating to his Chairmanship of these concerns may not be heavy. It is also a point for consideration whether it is desirable to saddle one officer with the duties of Director and Chairman of so many concerns. It looks to me that both in the interest of Government and the concerns, this work should be more distributed among several officers and wherever possible, technical officers, Secretaries to Government or other heads of departments made Chairmen or *Ex-officio* Directors as the case may be of concerns either run by Government or in which Government have interest. It appears also to be necessary to define more specifically the duties of the Director. As at present this is very undefined.

Additional Director—Status of this post may be reduced to that of a Deputy Director.

4. Whether there is really any need for an Additional Director of the status of a Deputy Commissioner and whether it would not do to appoint as Deputy Director

one of the Senior Assistants of the Director who is technically qualified and place him in charge of Cottage Industries is also a point for consideration. With regard to the post of Director of Industries and Commerce, the Madras Retrenchment Committee considers that "the Director should be a person of business outlook, possessing strong common and administrative experience in some field and should have capacity for co-ordinating knowledge and technical advice in industrial matters." According to them, "the activities of the Industries Department consist of conducting model industries and experiments with a view to developing new industries and improving existing ones, rendering technical assistance to large, medium and small-scale industries and cottage industries, advising the Government on the grant of financial assistance to new or existing industries under Government control." The view of this Committee is for consideration.

Gazetted Officers—Surplus post may be abolished.

5. There has been a very large increase in the number of subordinate gazetted officers in the department, under Director of Industries and Commerce and the Additional Director.

The following posts are stated to be included in the present sanctioned scale of the Headquarter's office:—

I. Under Director of Industries and Commerce.—

(1) Deputy Director (vacant).
(2) Financial Adviser „
(3) Accounts Assistant.
(4) Assistant Director (Finance).
(5) Do (Commerce).
(6) Do (Rural Industries).
(7) } Commercial Assistants:—O.O.D. in Textiles Section
(8) }
(9) Assistant Registrar of Trade Marks.

II Under Additional Director,—

(10) } Two Assistant Directors.
(11) }

The post of Deputy Director was sanctioned in March 1943 as personal and temporary for 2 years. The Gazetted staff was subsequently reorganised, but as this post was not included in the reorganisation, it must be deemed that this post was abolished and it cannot be shown as still continuing. Similarly the post of Accounts Assistant has replaced that of Financial Adviser, and so both these cannot be deemed to be simultaneously in existence.

Commercial Assistants.

6. There are two posts of "Commercial Assistants." These posts appear to have been created in 1945 to confirm two officers who had been recruited as Probationers of the Industries and Commerce Department in 1943, on completion of training. But both of these are on other duty outside the department for long, and it is stated that two other Probationers now under training are intended to be absorbed as Commercial Assistants on completion of probation. These posts were vacant till now and they are apparently superfluous. It seems to me that unless independent charges could be found for these young men, they may be transferred to other departments where their services could be better utilised or their services given to Concerns where there are now lent officers working. They should not be allowed to idle without any specific work or charge after their probation period is over.

Financial Officers.

7. The Director has two Financial Officers lent from the Comptroller's Office to assist him.

1. Financial Adviser—Assistant Director of Finance.
2. Financial Assistant.

According to the Distribution of work, the Assistant Director of Finance is in charge of Local Audit Cash Section, Industrial Concerns, Coal and Coke and Loans to Educated unemployed. The Accounts Assistant is in charge of Financial matters relating to Rural Industries, Industrial Schools and Textile Sections and Accounts and Bills of the Department. As the accounts of the Industrial Concerns are separately audited by the Comptroller and each of these Concerns is presumed to have a separate Accounts staff for internal Audit and Account purposes, there appears to be no justification to have any "Accounts" Officer in the Office of the Director for the regular departmental audit of all Industrial Schools, Rural Industrial Centres and Sub-Offices of the Department. There seems to be also unnecessary overlapping in the present arrangement. To secure proper concurrent Audit, it appears to be desirable to have a regular Audit staff under an Auditor independent of the Director, but attached to his office and functioning also as Financial Adviser to the Director. This would be less costly and more efficient. The other duties attached to the Accounts officers are properly those to be attended to by departmental men and their officers are functioning more or less as Office Assistants for the disposal of administrative work. This state of affairs should not be allowed to continue. In addition to the Accounts Officers attached

to the Director, there are also Assistant Comptrollers directly attached to and working in the Sandal Oil Factory and Electric Factory and there is a Superintendent of the Comptroller's Office in the Porcelain Factory. There is a "Deputy Comptroller" attached to the Iron and Steel Works. All these may be withdrawn and concurrent Audit introduced in these Industrial Concerns under an Audit Officer, an Industrial Audit Office being formed for the purpose, the head of the office being also *Ex-officio* Financial Adviser to the Iron and Steel Works, Director of Industries and to the several concerns.

Administrative officers

8. Of the other Assistant Directors there is one for Commerce and one for Cottage Industries. These may continue. In addition, two Assistant Directors have been sanctioned in February 1947—one to be in charge of the Handloom production of cotton and silk goods and the other in charge of the technical side of the development relating to all Textiles and the furnishing of designs, etc. Development in our Textile Industry both "Power Loom" and Cottage Industry is necessary and it is presumed therefore that there would be sufficient work for both these officers.

Board of Management.

9. In order to co-ordinate the work of the several officers amongst whom the work of the several Industrial Concerns—Government and aided—had been distributed and also to prevent unnecessary references to Government regarding sanctions for establishment, purchases, etc., and to constantly review the work of the several Industrial Concerns to see that they were working properly and efficiently a Board of Management with large powers and with the Minister for Industries as Chairman and a full-time office as Convenor was created some time ago. I could not say how far this Board has been able to serve the purpose intended and what difficulties there are in its working. Anyhow under the existing set up, I am doubtful if a whole-time Convenor has really enough work. It would be worthwhile examining the constitution of this Board afresh and make any necessary readjustments with a view to securing the best co-ordination and greatest possible economy. Instead of having a full-time Accounts Officer as Secretary to the Board it would be useful if the "Auditor for Industrial Concerns" referred to in para 7 above is made the *Ex-officio* Convenor. This Officer's intimate knowledge of the working of the several Concerns and their problems would be very helpful to the Board and in a way the Board could then

take a live interest in the prompt conduct of the half-yearly Audit of the several Concerns and the speedy disposal of the Audit Reports. There is now great delay both in conducting the Audit and the disposal of the Audit Report *so much so that the Audits have practically ceased to be useful and to serve the purpose intended.* This has to be stopped and audit work brought to current.

Non-gazetted staff.

11. As regards the non-gazetted staff, the particulars furnished regarding the ministerial staff of the Director's staff are somewhat confusing. The statement of allocation furnished shows a strength of 53 hands (which cannot be tallied with the figures given earlier regarding sanctioned strength of the office), and in the absence of details of *statistics* of work assigned to each clerk, etc., it is not possible for me to say if all these have sufficient work or make definite proposals about the extent of economies possible. There is a common establishment which deals with items of work pertaining to the Sections of the Director as well as the Additional Director and some of the subordinate gazetted staff seem to be common. The staff sanctioned for the Textiles Department, however, continues to be a separate Unit working directly under the Additional Director. A large number of hands have been sanctioned from time to time for this department in recent years. Temporary staff once sanctioned is continued indefinitely, on some ground or other, even after the original purpose for which it was sanctioned, has ceased. A very detailed examination of the purpose for which each Unit was sanctioned, how long the need really continues and whether there is full work for each of these, is necessary. I intend therefore examining the need for the existing clerical staff for this office and will submit a separate report. In the meantime, the Director of Industries and Commerce and the Additional Director may be asked to effect at least a 20 per cent reduction of the establishment. Further none of the temporary establishment be continued beyond the present terms, pending such detailed examination unless Government is satisfied regarding the need for their continuance.

Collection and Compilation of statistics.

13. A lumpsum provision of Rs. 20,800 is made for collection and compilation of statistics (against Rs. 16,990 in 1946-47). The need for this also is being examined. There is a lumpsum provision in the Budget of Rs. 15,000 for capital equipment under Badanwal Spinning Centre of one lakh of rupees for tools and machinery in the

Chamarajendra Technical Institute. These are not recurring items and will be deleted in future Budgets. Similarly there is a provision of Rs. 75,000, for buildings (Rs. 25,000) and for improvement of buildings (Rs. 50,000) under Industrial Schools. This may be reduced to Rs. 25,000.

Receipts.

14. The receipts booked under XXII Industries and Commerce relate to (1) Fees for Registration of Trade Marks, (2) Broadcast License Fees, (3) Boiler Inspection Fees and (4) Other receipts (Patent and Design Fees, etc.) The question of raising the scale of fees in regard to (3) and (4) may be examined.

Badanwal Spinning Centre.

15. Although the accounts of the Badanwal Spinning Centre is run on a commercial basis the expenditure on salaries and establishment, etc., is shown as departmental expenditure. This is not correct. The accounts of this and Kolar Wool Spinning Centre should be shown as under:—

Opening Balance of Stock		...	...
Raw Materials	...	...	...
Salaries and Establishment	...	...	...
Labour	...	...	...
Miscellaneous	...	...	...
Depreciation	...	...	...
	Total	...	...
Sales	...	...	...
Miscellaneous Receipts	...	...	...
Closing Stock	...	...	...
	Total	...	...
	Profits	...	...

The departmental officers should also see that even if there be no profits at least there is *no loss*. In the District and Taluk Industrial Schools—against Rs. 70,000 spent on materials excluding Rs. 70,000 spent on salaries, etc., the receipts are only Rs. 40,000. The receipts are disproportionately small as compared to the materials used and labour employed. The department should see that the sale realisations are at least equal to the cost of materials purchased.

Cottage Industries.

16. Under Cottage Industries, Rural and Minor Industries, there is a provision of Rs. 3,36,000. Here again the receipts are disproportionately small and every effort should be made to secure the maximum realisation.

17. Under Government Order No. D. 4267-71—I. & C. 510-43-21, dated the 26th February 1948, a three-year programme of Cottage Industries has been sanctioned at a cost of about Rs. 25·6 lakhs the expenditure being met from the Industrial Development Fund, the lumpsum grant hitherto made for Rural and Minor Industries being shown as grant-in-aid to the Fund. Somehow the current year's Budget does not exhibit the accounts in this manner. In order to exhibit the accounts correctly, the expenditure actually incurred under such sub-heads as may be prescribed may be shown in the body of the Budget and the amount met from the Industrial Development Fund *i.e.*, expenditure in excess of Rs. 3·5 lakhs shown as a deduct entry. The details of receipts and expenditure under Industrial Development Fund should however continue to be given in Appendix 'O' of the Budget.

18. Retrenchments suggested in the above proposals are :—

		Rs.
1	By abolishing the post of one Additional Director	12,000
2	Two Commercial Assistants	4,320
3	Two Probationers	2,940
4	20 per cent Reduction in the establishment of Director's Office	19,180
5	Dearness Allowance about	3,560
6	Capital equipment under Badanwal Spinning Circle	15,000
	Total ...	57,000

5. *Registrar of Joint-Stock Companies.*

Post of Inspector of Companies may be amalgamated with that of II Assistant.

The Excise Commissioner in Mysore is *Ex-officio* Registrar of Joint-Stock Companies. The charges relating to this however appear under "28-Industries and Commerce—5. Registrar of Joint-Stock Companies." The following is the sanctioned staff in the Office of the Registrar of Joint-Stock Companies :—

		Rs.
Gazetted—		
Inspector of Companies	...	150—10—250.
Non-Gazetted—		
Manager	... ...	125—10—175
Accountant	... ...	60—5—90—6—150
3 Clerks	... ...	40—2—50—3—80
Typist	... ...	45—3—60—4—100
Attender	... ...	25—1—30
3 Peons	... ...	18—½—22

2. While there may be some work of an important nature to be attended to by the Inspector of Companies, I do not think that the work of this department alone would engage him fully and continuously. I therefore suggest that he may be treated as *Ex-officio* Second Assistant to the Excise Commissioner and that the separate post of Second Assistant which had been kept vacant for a number of years and has recently been filled up by an officer of the Excise Department may be abolished.

The post of Manager may be retrenched.

3. There appears to be no necessity also for the post of a Manager on Rs. 125—10—175 to supervise the work of an Accountant and three clerks. The supervision of routine work may well be attended to by the Accountant in addition to his work. The post of Manager may thus be retrenched.

4. The above retrenchments if given effect to, would result in a saving of about Rs. 2,000 per annum.

Fees may be enhanced.

5. The Registrar has recommended the enhancement of the scale of registration fees to the level prevailing in the Indian Dominion as indicated below :—

	Existing Rate.	*Proposed Rate.*
	Rs.	Rs.
(i) Registration of Societies ...	20	50
(ii) Grant of Auditors Certificate—		
(*a*) Entrance fees ...	100	150
(*b*) Annual Fees ...	25	32

An additional revenue of about Rs. 3,000 is expected to be realised if the above proposals are accepted.

6. Retrenchment proposed :—

Abolition of the post of Manager — Rs. 2,000.

6. *Industrial Schools.*

Statistics of Expenditure.

(i) *Sri Jayachamarajendra Occupational Institute at Bangalore.*

This Occupational Institute has been established from 1942-43. The expenditure is noted below:—

In lakhs of rupees.

	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43
Salaries	·20	·13	·19	·17	·24	·23	
Teaching staff... ...	·92	·80	·57	·53	·45	·52	
Establishment ...	·31	·27	·21	·18	·19	...	
Scholarships	·11	...	...	...	...	...	
Travelling Allowance ...	·04	·04	·03	·05	·02	·02	
Buildings	1·00	1·25	·85	·63	1·18	1·36	
Equipment	4·00	3·75	2·39	2·12	1·24	3 32	
Furniture ...	·10	·10	·06	·15	·07	·06	
Library, Workshop and Laboratories ...	·70	·70	·61	·66	·44	...	·39
Contingencies ...	·40	·40	·46	·33	·23	...	
Total ...	7·78	7·44	5·37	4·82	4·06	5·51	
Deduct fees from Students ...	·30	·30	...	...	...	..	
Other receipts ...	·02	·02	·02	·02	·03	...	
Net Expenditure ...	7·46	7·12	5·35	4·66	4·00	5·51	·39

The sub-head may be changed from 'Industrial Schools' to 'Technical Education'.

2. The expenditure has been gradually on the increase. Up to 1944-45 the expenditure was being booked under "26. Education" and later on under "28. Industries and Commerce—Industrial Schools." The sub-head may perhaps be changed to "Technical Education" or "Industrial Education". The Superintendent states that it will take some more years for the work in this Institute to be in full swing and that there is no prospect of reduction in either ministerial or technical staff.

3. There are 64 members on the teaching staff excluding temporary staff and part-time instructors numbering 33. The clerical staff including Driver and Mutchi is 59 and the menial staff is 22 in number.

4. In reply to my questionnaire the Superintendent states that the present staff itself is insufficient and that the scales of pay are very low to attract the right type of people and that the possibility of getting men of lower qualification for the places is not tenable in view of efficiency.

This institute and Sri Krishnarajendra Technological Institute may be combined.

5. As this is a developing institution it is difficult to suggest economies. The suggestion of having part-time teachers is already in vogue. To a suggestion whether the Sri Krishnarajendra Silver Jubilee Technological Institute and this institute could not be brought together under one common head, the Superintendent says this is not possible. This appears however to require consideration as there would, in my opinion, be great

advantage in combining both these institutes and that an overlapping of some technical staff, instructors, etc., may be avoided by this combination.

Reduction in grants for Building and Equipment.

6. There is a provision in the current year's budget of 1 lakh of rupees for buildings and 4 lakhs of rupees for equipment and Rs. 70,000 for Library, etc. Once the Institute buildings are built and are properly equipped, there would be no need for large provision for such non-recurring items in the future Budgets. An estimate of additional buildings and equipment required may be prepared and suitable provision made annually. Against the provision of Rs. 5·70 lakhs for building equipment and Library a grant of Rs. 2 lakhs in the succeeding years would perhaps be enough taking into account our present financial position. More and more donations from philanthropic gentlemen appear necessary, instead of looking to Government for every requirement.

Increase under other receipts.

7. A 12½ per cent cut under contingencies would also bring in a saving of Rs. 5,000. The fees received at present is only Rs. 30,000. Whether the fees cannot be increased may be examined. The other receipts are very poor. A sum of only Rs. 2,000 is shown in the Budget while the Department says that Rs. 42,000 has been realised during the last 2½ years. The receipts under this should certainly be capable of improvement. Some difference in the figures in receipts as furnished by the Superintendent and as noted in the Budget appears to exist. This should be varified and reconciled. Better realisation from the articles manufactured by the students should be obtained.

8. Regarding augmenting revenues by adopting a system of "Pay as you learn," the Superintendent states that this point is kept in view from the beginning but, as the institution is mainly meant to train students, and the articles produced are not of standard, the receipts are low. Better receipts ought to be possible and we should realise at least the cost of raw materials and nominal labour. This should be looked into.

9. Savings proposed are as under:—

		Rs.
1.	By having a common administrative head for Sri Krishnarajendra Silver Jubilee Technological Institute and Occupational Institute ...	8,160
2.	Savings on account of non-recurring items omitted in coming budgets ...	3,70,000
3.	Savings on Contingencies	5,000
4.	Increase in Revenue—Receipts under other items	20,000
		4,03,160

28-A. Department of Labour.

Organisation of the Department.

This department, as a separate one was created only last year. The department has at present a whole-time Commissioner, with the following subordinate gazetted officers under him :—

1 Headquarters Assistant to the Commissioner;
2 Assistant Commissioners of Labour in charge of Bangalore, Mysore and Kolar Divisions;
3 Probationers; and
1 Deputy Director of Resettlement and Employment.

The Commissioner states that two more Divisions are proposed to be opened—one for providing for bifurcation of the existing Mysore Division into Mysore and Shimoga Divisions and another at Chikmagalur to look after plantation labour. He also refers to the constitution of two more sections—Publicity and Legislative—in the Head Office, and to enlarging the scope of the Department of Resettlement and Employment Bureau.

2. No doubt, problems relating to labour are increasing in number and importance and require a competent agency to handle them. But it is equally important that the growth of this department should be gradual and *should also take into account the capacity of the State to pay and continue to pay for the same.* A regulated expansion of the department and "economy" in every aspect of working of the department do not appear to be incompatible and my recommendations are made keeping these in view.

3. Till very recently the Director of Industries and Commerce was *Ex-officio* Labour Commissioner. But in view of the importance Labour problems have now come to occupy, a whole-time Labour Commissioner has been now appointed in order that he may be able to devote undivided attention to the same. But in a small State like ours, this officer after all would ordinarily not have much administrative work. The work relating to Depressed Classes which was attached to this officer has also since been taken away. The Labour Commissioner has attached to his letter a Note regarding "Lines of Future Activity in the Labour Department." Presumably he expects additional staff to be sanctioned for most of these items. Most of these items referred to therein could however be attended to by the existing staff. The Labour Commissioner who is now full-time officer and who is also not saddled with Depressed Classes works

could well be expected to attend to deal with the work relating to Labour Legislation and such other items requiring special attention himself, without the assistance of any whole-time subordinate Gazetted Officer. For a small office like his, a full-time Office Assistant is unnecessary. The services of this officer may therefore be utilised for editing the proposed Labour Gazette and other publicity work. He may however continue to be *Ex-officio* Personal Assistant in addition to his other duties.

Staff for Statistical Work.

4. Regarding statistical work, this is no doubt of great value and the work of collection of proper statistics and their review is increasing in importance. The proper staffing of this section as far as Labour is concerned would no doubt be necessary. There is however already in the department a separate section with adequate staff to deal with this, and no special increase on this account appears called for. Again proposals are also before Government for the organisation of a Central Statistical Department and if this is sanctioned, that Department would doubtless assist in improving the kind and quality of the statistics now being collected by the several departments and co-ordinate the information collected by various agencies so as to avoid overlapping and waste of labour and energy. That officer would also assist in standardising the method of collection and the type of statistics to be collected and would also attend to the general review of these statistics.

Employment Exchange.

5. Regarding Employment Exchange, the work is now confined, as far as I am aware, to demobilised personnel and this work I believe, is almost nearing completion. The scope of the Exchange may be enlarged as proposed, but with the reduction in the existing work no additional staff for looking after the expanded activities would be necessary. In conclusion, therefore, since this department as it stands appears to be over-staffed, the expansion in the volume and intensification of work now being done may be a good argument for not effecting economies in the existing staff and not for any increases in staff. As the statistics of work done is not furnished, I am not however in a position to state definitely at this stage how much of the existing establishment is surplus and could be reduced.

Lumpsum provision in the Budget to be deleted in the absence of details.

6. I find from the Budget for 1948-49 that provision has been made for a lumpsum grant of Rs. 10,00,000 for "Reorganisation of Labour and Labour Welfare." In the

absence of detailed information regarding the several items on which this amount is intended to be spent and their relative urgency, I have no remarks to offer. Further, I do not know how much of the expenditure proposed is on account of recurring expenditure involving increased commitments on the Budgets of future years and how much would be of a non-recurring nature. As I have already stated above, the programme of work contemplated, as far as I could gather, does not indicate any need for increase in the executive establishment at any rate for the present. If the lumpsum provision is however meant for subsidising building schemes, etc., what commitments any policy adopted would involve on our future budgets would have to be carefully gone into before sanctioning the schemes. I have therefore omitted and treated this as a non-recurring item.

	Rs.
Savings	10,00,000

NOTE.—Since the above note was written, the department has been reorganised (*vide* Government Order No. S. R. 2604-95—L. W. 52-47-6, dated 7th December 1948). A savings of only Rs. 9 lakhs has therefore been taken into account.

29. Co-operative Societies.

1. *Department of Co-operation.*

General. This Department has now worked for over four decades and through its activities during this period the general principles of co-operation must have sufficiently permeated among the people to have brought into existence a large body of non-official workers who may be trusted to shoulder the responsibilities of management of institutions without the need of tutelage and guidance from Government Departmental officers in their day to day administration. While dealing with the economies in the Department, the Retrenchment Committee of 1931 observed :—

> "..... we must look chiefly to non-official rather than to official influence for further impetus and development. It cannot be denied that the over-stimulation of the movement by official agency ought to be guarded against and that it is undesirable to give the impression that Government is in any way responsible for the security of deposits kept in Societies. Apart from statutory functions and from general supervision, inspection, and audit, the growth of the movement may well be left in an increasing measure to non-official agency".

The co-operative movement after so many years of experience may be presumed to rest on a more or less sound basis, and it ought not to need as much supervision now as might have been necessary in the initial stages. The Central Societies at Bangalore meant to finance Rural Institutions are also expected, while encouraging the healthy growth of these institutions, to yield a wholesome influence on the day to day management and the proper maintenance of registers and accounts. It was obviously taking all these into consideration that the Committee referred to above were definitely of opinion that a separate Deputy Registrar was superfluous and that, with a suitable system of delegation to Assistant Registrars, there would also be no need for a separate Personal Assistant to the Registrar and that the total strength of Assistant Registrars might be fixed at 5. The Committee were also of opinion that though the strength of the Inspectorate which then (1931) stood at 42 for about 2,200 societies was *prima facie* not excessive, allowing one Inspector for every 50 societies on an average, it should be possible gradually to reduce the number of the inspecting staff as the societies grew in experience and as non-official organization became available.

Statistics of expenditure.

2. The expenditure under the several sub-heads since 1938-39 is enclosed.

3. From particulars furnished by the Registrar, it is gathered that the strength of the Gazetted Staff and of the Inspectorate now stands as under:—

Gazetted Staff.		*Inspectors.*
Registrar ...	1	
Deputy Registrar ...	1	57+11 Tempy.
Assistant Registrars (including personal Assistant.)	8+2 Tempy.	or 68
	10+2 tempy. or 12.	

The total number of institutions now amount to 2,714.

Reduction in the strength of Gazetted Staff.

4. It is seen that the expectation of the Retrenchment Committee that with the growth of experience there should be proportionately a decrease in the Inspecting and Supervisory staff has not been realised. The present strength appears to have been fixed with the objective of having one Assistant Registrar for each District (with an extra officer for Bangalore City) and one for employment as Personal Assistant and one Inspector for each taluk ordinarily. I am in entire agreement with the general principles enunciated by the Retrenchment Committee of 1931 that the stimulus for the movement should mainly come from non-official workers in the field and that the duties of the Department should be restricted to general supervision, inspection and developing any new lines of activity. Any detailed audit of the institutions may be got done by qualified auditors at the cost of the institution concerned. It is seen that work in some of the Districts is much lighter than in some others and it should be possible to place an officer-in-charge of more than one District or at any rate to suitably enlarge the jurisditions and reduce the number of charges. There is no need for the jurisdictions of the officers of this Department conforming to the Revenue District Divisions. There is also no necessity for having an officer of a higher grade with the designation of Deputy Registrar and this post may be abolished. The separate post of Personal Assistant to the Registrar also seems unnecessary. The Gazetted strength may I think be fixed as under:—

Registrar ...	1	
Assistant Registrars ...	7	the number of Divisions being reduced from 10 to 7.
	8	

The post of Deputy Registrar and three posts of Assistant Registrars (including two temporary ones) may be retrenched.

5. As regards the Inspectorate, it is necessary to make substantial reductions by enlarging the charges. There were some 42 Inspectors in 1931, and 56 Inspectors (38 permanent *plus* 18 temporary) in 1938-39. The present strength is 57 *plus* 11 temporary. With the higher scale of pay recently sanctioned, it should be possible to recruit a better type of personnel. As far as possible persons with commercial qualifications and a specialized training in Co-operation should be recruited as Inspectors. The total number need not in any case exceed the present permanent strength of 57 hands, and all the temporary hands may be retrenched. The abolition of three Divisions and 11 Inspectors will also result in corresponding savings under ministerial and menial establishment. Reduction in the Inspectorate.

6. In the existing menial strength of the offices, the following may be retrenched :—

Office of the Registrar	...	1	Jamedar (or Duffedar)
		3	Peons.
Office of Mysore Division.		1	Peon.

The savings effected as per above proposals will amount to about Rs. 50,700 (*vide* statement attached).

7. The agency of this Government in connection with the National Savings Certificate Scheme having ceased, the provision noted below in the Budget of 1948-49 in respect of this scheme may be deleted :—

		Rs.
Salaries	...	3,600
Establishment	...	5,432
Other charges	...	500
Total	...	9,532

8. The Registrar of Co-operative Societies is also in charge of the Marketing Department. A separate note regarding that Department has been put up.

9. There are several post-war development schemes relating to this Department which are under the consideration of Government. Orders regarding these have not been passed yet. Necessary provision on a generous scale has been made for the establishment required for each of these schemes and we may therefore safely assume that the retrenchments suggested are not likely to affect Post-war schemes

these schemes if and when they are sanctioned. I presume also that while sanction is being accorded the need for the staff asked for will also be carefully scrutinised. The lumpsum provision of Rs. 1 lakh made in the Budget may in the meantime be omitted.

10. List of Retrenchments.

Budget Head and particulars	Amount of Reduction	Remarks
	Rs.	
1. Department of Co-operation.		1. By abolishing the post of 1 Deputy Registrar, 1 post of Personal Assistant to the Registrar and 2 posts of Assistant Registrars.
Salaries ...	11,400	
Establishment ...	19,100	2. By retrenching the undermentioned establishment.— *Deputy Registrar*—One I Dn. Clerk, three II Division Clerks, four Peons. *Personal Assistant to the Registrar*—Two Peons. *Assistant Registrars*—(2) Two I Division Clerks, 4 II Division Clerks, 6 Peons. *Inspectors*—11 Peons. *Central Office*—4 Peons, 1 Duffedar or Jamedar. 11 Inspectors, 8 I Division Clerks, 7 II Division Clerks, 27 Peons, 1 Duffedar or Jamedar.
National Savings Scheme.		
Salaries ...	3,600	The agency of this Government in connection with the National Savings Scheme having ceased the provision in respect of this scheme may be deleted.
Establishment ...	5,432	
Other charges ...	500	
Travelling Allowance—		Esitmated reductions consequent on the reduction of the number of Divisions from 10 to 7 and abolition of the above posts.
Officers ...	1,500	
Establishment ...	5,000	
Contingencies—		
Rents and Taxes ...	2,000	
Other contingencies...	2,000	
Dearness and High Price Allowances.	9,700	
Total ...	60,232	
Lumpsum provision to be deleted.	1,00,000	
Total ...	1,60,232	

Statement of Expenditure.

(Rs. in lakhs.)

Particulars	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48 Revised	1948—49 Budget
1. Salaries ...	.36	·40	·42	·42	·34	·31	·32	·36	·38	·40	·42
2. Establishment.	.74	·79	·79	·81	·79	·78	·84	·82	·89	1·05	1·22
3. Travelling Allowance.	·09	·11	·10	·12	·07	·07	·29	·29	·25	·37	·38
4. Contingencies and other charges.	·30	.30	·27	·30	·36	·36	·24	·31	·46	·46	·41
Total ...	1·49	1·60	1·58	1·65	1·56	1·52	1·69	1.78	1·98	2·28	2·43

2. *Marketing Department.*

Establishment of the Department

The marketing Department which was till recently on a temporary basis has been made permanent with effect from April 1948 with the establishment as noted below:

Assistant Marketing Officers		...	2
Marketing Assistants		...	3
Statistician	...	...	1
Draftsman	...	...	1
Clerks	...	...	2
Steno-Typists	...	...	2
Record keepers	...	...	3
Duffedar	...	...	1
Peons	...	...	8
Record-keeper	...	...	1
Accountant	...	...	1
Grading Demonstrator		...	1
Office Manager	...	...	1
Marketing Inspectors	...	...	9

Functions of the Department.

2. The Registrar of Co-operative Societies states that the main functions of the department are the following.—

1. Organisation of Regulated Markets in the State;
2. Organisation of Grading Stations in the State;
3. Organisation of Co-operative Agricultural Marketing Societies;
4. Carrying out Marketing Surveys;
5. Dissemination of Market News;
6. Collection and Compilation of Agricultural Statistics and Statistics relating to Live-stock and live-stock products.

The following functions are proposed to be taken up:—

1. Maintenance of Warehouses in the State;
2. Administration of Weights and Measures Act;
3. Control and Administration of Village Markets *i.e.*, "Shandies."
4. Maintenance of Agricultural statistics including publication of the Mysore Season and Crop Reports;
5. Maintenance of Road and Rail borne statistics and publication of their Reviews.

Regulated Markets.

3. With regard to the Organisation of Regulated Markets, two are stated to be under development—the Regulated Market at Davangere and the Regulated Market at Tiptur. Both these however are only in the initial stages. A public Works Range Office has been sanctioned for the construction of buildings in respect of Davangere.

Grading and Standardisation.

4. With regard to Grading and Standardisation, draft rules are stated to have been framed for grading and marketing of eggs, figs etc. Here also, the work is still in a very primitive stage.

Co-operative Marketing.

5. Regarding Co-operative Marketing, there are stated to be 19 Marketing Co-operative Societies including the Malnad Area Marketing Co-operative Society at Shimoga, Cardamom Co-operative Society at Saklespur and Mudigere, Arsikere Cocoanut and Copra Marketing Co-operative Society. The Societies are understood to be doing very good work.

Market News Service.

6. Regarding the Market News Service, it is stated that the work relating to the publication of prices has just commenced. The Registrar has an ambitious programme regarding the items of work to be attended to under this head.

Maintenance of warehouses.

7. Regarding maintenance of warehouses in the State the work of construction of warehouses and providing go-down accommodation for agricultural produce is a very important one, as this will enable the giving of credit facilities to the Agricultural community, since with these system of licensed Warehouses with negotiable warehouse certificates could be introduced and there is no doubt that considerable strength in the marketing of Agricultural produce could thus be secured. The Registrar also wants to entrust the administration of the Weights and Measures Act to the Marketing Officers and to control Shandies and Municipal Markets which are now under the control of Local bodies.

No need for extravagant staff in initial stages.

8. From the above enumeration of the work to be attended to, it is perfectly clear that this department has a very big future of service to the community at large if properly organised and therefore instead of a reduction in expenditure, it may well be that as the work gathers momentum, additional expenditure would be necessary. For the present, however, in the initial stages there ought to be no need for an extravagant staff. In dealing with the establishment for Co-operative Societies, I suggest that the post of the Deputy Registrar may go, but, as it is necessary that marketing should be developed it may be desirable to retain this post making the Deputy Registrar, the Deputy Marketing Officer and entrusting him with the development work of this department. If this is done, the post of the Headquarter Assistant in the Co-operative department could be abolished against that of Deputy Registrar that would be retained. There is no need also

both for a Manager and an Accountant for this small office and therefore one of these posts may go. Till the work of Regulated Market at Davangere is completed the officers in charge may also be District officers for Marketing and separate District Marketing Inspectors may be unnecessary. Out of the three Marketing Assistants one may be retrenched.

No need to take over Agricultural Statistics from that department.

9. With regard to the taking over by this department of the statistics of agricultural produce etc., now that the Agricultural Department has its own foreign trained Statistician and in view of the great need for the proper maintenance of agricultural statistics, I do not think it is desirable to transfer this work to the Marketing Department. The Registrar has also proposed that the Season and Crop Report which the Revenue Commissioner is now dealing may be transferred to him. Even here I should think that it is desirable that this work if transferred at all should be attended to by the Statistician in the Agricultural Department.

Transfer of control of shandies.

10. With regard to the transfer of the control of Shandies from the Local bodies, I think, it would be very good to transfer this to the Marketing Department, the District Boards being suitably compensated. The establishment of Co-operative Marketing Societies or Multipurpose Societies on a large scale should also be undertaken as Co-operative or collective marketing of agricultural produce is necessary not only for the attainment of maximum efficiency but also for improving the economic conditions of the producer by strengthening his bargaining power. Radical cuts in the expenditure of this department are therefore undesirable.

11. Regarding the menial staff, the scale proposed in Government Order No. Fl. 89-165—G. F. 206-47-22, dated the 1st July 1948, may, I think, be adopted.

12. REDUCTIONS PROPOSED.

	Rs.
The posts of Manager or an Accountant ...	1,070
One Marketing Inspector ...	1,030
	2,100

30. Grants for Public Improvements.

General.

The improvement of Cities, Towns and Rural areas and provision for drinking water wells particularly with reference to the provision of suitable drinking water wells in villages has always received the foremost attention by Government and every year large amounts are being provided for under the above head for distribution to local bodies and village panchayets in pursuance of schemes sanctioned for the purpose and detailed rules for the distribution of grants under these heads have also been framed. While the grants for public improvements used to be of the order of Rs. 9·35 lakhs in 1938-39, the improvements in Revenue during war-years made it possible for Government to accede to the popular demand for increased grants to local bodies and village panchayets for town improvements and improvements to water supply, drainage, etc., and substantial additions to the grants are now being made under this head, the grant which was Rs. 31 lakhs in 1945-46 having been raised to Rs. 52 lakhs in 1946-47 and Rs. 119·67 lakhs having been made under this head in the current year. A statement showing the grants under the several sub-heads since 1938-39 is placed below :—

(In lakhs of Rupees.)

Minor Heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
1. Bangalore City Improvement.	·15	·15	...	1·70	1·00	1·84	2·90	3·05	3·39	·82	·70
2 Improvement of Water Supply in Towns.	7·50	5·00	·91	1·02	·80	·66	·99	1·90	1·74	1·21	1·42
3. Improvement of Towns and Minor Municipalities.	7·50	5·00	1·12	1·88	5·67	2·37	1·96	1·28	2·99	1·21	·84
4. Mysore City Improvement Fund.	2·75	2·75	9·90	1·20	1·49	2·25	·93	1·50	1·50	1·00	1·00
5. Rural Reconstruction.	20·58	19·75	16·48	12 14	7·63	5·37	3·03	2·08	1·92	1·42	1·54
6. Drinking Water Wells in Villages.	10·00	8·00	8·59	5·67	2·60	3·00	3·00	3·40	3·07	3·29	2·99
7. Tube Wells.	·37	·32	·42	·25	·27	·14	·21	·18	·26	·29	·25
8. Malnad Improvements.	...	...	·35	·39	·40	·56	·56	·58	·63	·59	·61

(In lakhs of Rupees.)

Minor Heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44	1942—43	1941—42	1940—41	1939—40	1938—39
9. Grant-in-aid to District Boards on account of Establishment and Tools and Plant charges.	·07	·07	·06	·06	·06	·06	·13	·15	·19	·19	...
10. Beggar Relief Scheme.	2·00	2·50	·22	·15	...	...	...	...	...	...	...
11. Bangalore City Improvement Trust Board.	25·00	8·95	8·12	5·65	·21	...	...	...	...	...	...
12. Welfare of the Depressed Classes.	18·00	13·00	5·97	1·27	·60	...	...	...	...	...	...
13. Davangere City Improvement.	·15	...	...	...	...	...	...	...	...	...	...
14. For Development Schemes.	25·00	3·00	...	...	...	...	...	...	...	...	...
15. Deduct—Expenditure met from Special Reserve Fund.	...	3·00	...	...	...	...	...	...	...	...	...
16. High Price and Dearness Allowance.	·59	...	...	...	...	...	...	...	...	...	...
Total ...	119·67	65·49	52·14	81·88	20·73	16·25	13·72	14·13	15·69	10·02	9·35

Reduction in grants.

Referring to the grants under this head the Retrenchment Committee of 1931 stated that " Works of 'Public Improvement' however desirable in themselves are often in the nature of avoidable luxuries which can only be afforded when the finances are flourishing." They added that " a good portion of this expenditure is of an optional character and as such rightly and easily dispensable in a time of financial stringency." While it is no doubt true that the expenditure under this head is of an *optional* character it is equally true that no modern progressive administration could shut its eyes to the need for the all round development of Towns and Rural areas. While there is no limit to the amount of expenditure that could usefully be spent under this head limitation of finance however require that the appropriations should be determined by the availability of funds and the pace of progress also suitably regulated. As stated already the grants in the current year are pitched at a very high level—a level which we cannot afford—and we can easily cut these

down under several heads without affecting Town or Rural Development giving at the same time the much needed relief to the Revenue Budget. The following reductions are therefore suggested :—

(1) *Improvement of Water Supply in Towns.*—A programme of requirements in this behalf may be drawn up and the Government grants limited to Rs. 5 lakhs in any particular year and the pace of progress determined accordingly (Savings Rs. 2·50 lakhs).

(2) *Improvement of Towns and Minor Municipalities.*—Under this head also the grants may be limited to Rs. 5 lakhs. (Savings Rs. 2·5 lakhs). It is necessary that the Town and Minor Municipalities should draw up a five-year programme with due reference to their financial resources and the grants given by Government utilised to supplement the programme. Public philanthrophy has also to be largely drawn upon particularly for water supply schemes.

(3) *Mysore City Improvement Fund.*—A grant of Rs. 75,000 used to be given previously. In recent years additional grants for specific purposes appear to have been given. The permanent grant under this head may be fixed at Rs. 1·50 lakhs, the Trust Board being advised to improve its resources to obtain the balance of its requirements.

(4) *Rural Reconstruction.*—The grant may be limited to Rs. 19·50 lakhs. This should be augmented by contributions from Village Panchayets.

(5) *Rural Reconstruction Schemes.*—The annual grant may be fixed at Rs. 20 lakhs.

(6) *Drinking Water Wells in Villages.*—Our first programme for giving drinking water wells to villages is almost complete. The grants now required would be for further improvement to drinking water supply in villages. We had a balance of Rs. 1·65 lakhs at credit of the Fund at the end of June last. An annual grant of Rs. 5 lakhs would therefore appear to be adequate.

(7) *Tube Wells.*—The grant may be cut down to Rs. 35,000.

(8) *Beggar Relief Scheme.*—The maximum grant may be retained at Rs. 2 lakhs, any further sum required being obtained from contributions and such other sources.

(9) *Bangalore City Improvement Trust Board.*—The grant in the current year is Rs. 25 lakhs and a

revenue of Rs. 15 lakhs is shown under XIII–Miscellaneous on account of receipts from sale of lands by the Bangalore City Improvement Trust Board, *i.e.*, the amounts made available to the Trust Board for formation of Extensions in Bangalore has been shown under this head, the corresponding receipts being shown under XIII-Miscellaneous. This procedure is not correct. Whenever any extension has to be formed the City Improvement Trust Board wants funds for the same, the funds should be treated as *Advance* to be recouped when the sites are sold and it should be impressed on the Trust Board that its schemes should be such that they do not involve any net out-going from the Treasury. All these transactions have therefore to appear in the Ways and Means account only and it is only the *net* grant that should appear under this head. The net grant may be fixed at Rs. 2·50 lakhs per annum (including Civil Station) as suggested above and the City Improvement Trust Board may be requested to develop its revenue from other sources to meet the balance of its expenditure.

(10) *Welfare of the Depressed Classes.*—I do not know if any detailed programme has been drawn up for this purpose. A sum of Rs. 6 lakhs was given in 1946-47 and last year Budget grant was Rs. 10 lakhs. The amount has been fixed at Rs. 18 lakhs in the current year. In view of the need for economy the grant for the coming year may be fixed at Rs. 15 lakhs.

(11) *Unforeseen demands.*—To meet any unforeseen demand a reserve of Rs. 3·63 lakhs may be provided instead of Rs. 25 lakhs as at present.

The grants as thus revised will be as under :—

		Rupees in lakhs.
1.	Bangalore City Improvement Trust-Board ...	2·50
2.	Mysore City Improvement Trust Board ...	1·50
3.	Improvement of Water Supply in Towns ...	5·00
4.	Improvement of Town and Minor Municipalities.	5·00
5.	Rural Reconstruction	20·00
6.	Drinking Water Wells in Villages ...	5·00
7.	Tube Wells	·37
8.	Beggar Relief Schemes	2·00
9.	Depressed Class Welfare Scheme ...	15·00
10.	Unforeseen Demand	3·63
	Total ...	60·00

Savings ... ... Rs. 59·67 lakhs.

(*v*) *Rural Reconstruction.*

Office of the Special Officer for Rural Development.

General. From the particulars gathered regarding work in this Office, it is seen that a number of establishments have been sanctioned for work under this officer for different purposes, *viz.*, (1) for Rural Development Work, (2) for Compilation of District and Taluk Hand-Books, (3) for Editorial Section of Gramabhyudaya, and (4) for Propaganda and Publicity Sections.

Statistics of work. 2. With a view to ascertain the adequacy or otherwise of the staff sanctioned for Rural Development and Work noted below, statistics of the papers dealt with in this office were obtained :—

For Rural Development Work.

	5	(*a*) A basic establishment of— 1 Accountant-Manager (90—5—120), 3 Clerks and 1 Steno-Typist.
Temporary	3	(*b*) 2 Additional Clerks and a Steno-Typist in 1944, on a temporary basis; and
	4	(*c*) 1 more Accountant and 3 more Clerks again in January 1947, on a temporary basis.
	12	

Although according to the statement, the total number of papers received per annum is only about 2,000 in his subsequent letter, the Special Officer said that the total number of papers received in the office were really about 6,000 a year, or 500 per month and not 2,000 as stated at first and he considered that to cope with this amount of work satisfactorily, there is ample justification for the continuance of the temporary establishment of 5 hands at least for one year in the first instance.

3. Even if, in the aggregate *about* 6,000 papers are received, many of these would be statements, returns, etc., and it is seen from the statements of cases dealt with by each case-worker noted below, that they are very few and do not justify a huge establishment.

Case-worker	No. of cases dealt with during 1946-47
R2	138
R3	134
R4	179
R5	598
R9	10

I am also not convinced of the need for a full-time Record-keeper, Cash Clerk or a Despatching Clerk for this office nor of the need for such a large number of case-workers.

4. Certain proposals for the reorganisation of the Rural Development are stated to be under consideration, and in these circumstances, a final decision in regard to fixing the normal staff for this office may be deferred until we have some idea of the extent of work to be done in this office in the new set up. It is obvious however that as it stands, the establishment is too much and it would be sufficient for the present if in addition to the basic establishment of 1 Manager, 3 Clerks and a Steno-Typist, sanction is accorded to the continuance of one Accountant and one Clerk on a temporary basis out of the additional temporary establishment of 7 hands that had been sanctioned till the end of June 1948. Even as it is there are three vacancies out of the sanctioned strength lying unfilled and it ought to be possible to reduce the strength of two more. I may add that in these small offices, the Manager should not be merely a supervising officer. He must be able to deal with a substantial portion of important case-work himself. If this is done an immediate reduction of 5 hands, *i.e.*, 2 by reduction and 3 by not filling up vacancies would be possible. The total staff will then consist of 7 hands as noted below :—

1 Manager.
1 Steno-Typist.
1 Accountant.
4 Clerks.

5. I have also separately proposed that this office may be amalgamated with the office of the present Commissioner of Economic Development and Planning. If this idea meets with the approval of Government, the additional staff in the Economic Development and Planning Office and proposed to be retained along with the above staff ought to be more than ample for the combined office.

XXIII. AND 31—ARMY.

1. The expenditure during the last ten years under this head is noted below. It will be seen therefrom that the expenditure has risen from 15·68 lakhs in 1938-39 to 83·24 lakhs now:—

Expenditure. 31. Army.

(Rupees in lakhs).

Minor Heads of Accounts	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44
1	2	3	4	5	6	7
1. Headquarters ...	·55	·57	·50	·71	·79	·74
2. Mysore Lancers ...	4·95	5·43	5·22	5·31	7·67	8·91
3. Mysore General Transport Co.	·20	·22	·30	·62	·54	·80
4. Mysore Horse ...	·88	·95	·98	·94	1·22	1·45
5. Mysore Infantry ..	8·18	8·41	4·89	7·68	11·62	13·25
6. Grass Farms ...	·27	...	...	·13	·12	·13
6A. Hessarghatta Farm.	...	...	...	...	...	...
7. Kunigal Stud Farm	·14	—·11	·30	—·55	— ·15	—·56
8. Military Stores ...	·09	·11	·11	18	·15	·14
9. Palace Military ...	2·50	2·50	2·50	3·59	8·60	9·58
10. Superannuation & Retired Allowances.	2·02	2·00	2·09	2·01	1·95	1·98
11. Military Works ...	·66	1·43	1·50	1·55	2·36	2·13
12. Military Stores Suspence Account.	·04	·51	·71	—·15	—·14	—·13
12A High Price and Dearness Allowances.	...	...	...	...	...	...
Total ...	15·68	17·02	18·60	22·06	34·73	36·42

Minor Heads of Accounts	1944—45	1945—46	1946—47	1947—48	1948—49
	8	9	10	11	12
				(Revised)	(Budget)
1. Headquarters ...	·77	·90	·91	1·34	1·39
2. Mysore Lancers ...	9·17	8·70	7·90	8·90	9 17
3. Mysore General Transport Co.	1·12	1·26	1·01	4·18	4·93
4. Mysore Horse ...	1·56	1·47	1·70	2·34	2·09
5. Mysore Infantry ...	14·44	15·44	17·89	24·57	33·11
6. Grass Farms ...	·17	·24	...	...	...
6A. Hessarghatta Farm.	...	...	...	...	...
7. Kunigal Stud Farm.	—·54	·09	1·22	·77	·91
8. Military Stores ...	·11	·15	·12	·15	·15
9. Palace Military ...	7·85	7·17	9·12	19·95	18·00
10. Superannuation and Retired Allowances.	1·93	1·52	1·69	2·03	2·03
11. Military Works ...	7·29	5·29	3·90	11·60	8·99
12. Military Stores Suspence Account.	—·04	—·78	·78	·50	...
12A. High Price and Dearness Allowances.	...	...	...	...	2·47
Total ...	43·83	41·45	46 24	76·38	83 24

2. One of the items, I was specially asked to take into consideration among other things, in dealing with the question of retrenchments in the Military Department was the

Suggestions for economy—Discussion with Chief Commandant.

> "Maintenance of a limited Police or Military fully equipped with modern arms instead of mearly maintaining the present numerical strength."

3. Proposals in this matter were called for both from the Inspector-General of Police and the Chief Commandant, and the Chief Commandant was good enough not only to send his written replies but to hold personal discussions with me in the matter with regard to each of the several proposals for economies in his office. The suggestions made are summarised below.

4. While the strength of individual Units has to conform to certain standards laid down by the Government of India, the number of units that have necessarily to be maintained by each State on population or other basis, is a matter for decision by the Government of that State and has to be determined with special reference to the needs of Internal Security and other considerations. The suggestions made therefore represent the personal views of the Chief Commandant, generally concurred in by me, subject to revision in the light of any large policies to be adopted by Government.

Strength of Units.

There are at present four battalions of Infantry and the raising of two more battalions appear to have been sanctioned. (In the latest State Budget, provision has been actually made for five battalions and an Infantry Training Centre). If the other suggestions made in this note are approved, it is considered adequate if only three infantry battalions are maintained their equipment being modernised. In addition to the above one complete battalion—the fourth battalion—may be carved out of the Palace Infantry Unit (His Highness the Maharaja's Own Infantry) if it could be handed over completely to State management. In these circumstances the provision made in the Budget at present for IV and V Battalions to the extent of about Rs. 9·55 lakhs can be saved. There would also be some reduction in the provision now made for His Highness the Maharaja's own Infantry. Provision now for Palace Military is Rs. 18 lakhs, *vide* below. There

Reduction in the number of Infantry Battalions.

seems to be also a proposal to add one more squadron to Palace Infantry :—

	(Rs. in lakhs.)
His Highness the Maharaja's Own Infantry ...	7·37
Do Body Guard ...	6·83
Palace Band ...	1·13
Palace artillery ...	0·15
Pensions ...	0·67
Total ...	16·15
Against this provision made in the budget is ...	15·00
Non-recurring expenditure for Buildings ...	3·00
Total ...	18·00

Conversion of the Mysore Lancers into a Light Armoured Regiment (or a mechanised Unit).

The Chief Commandant has also suggested the conversion of the Mysore Lancers into a Light Armoured Regiment (or a mechanised unit) involving an initial outlay of Rs. 10,03,000 and a reduction in annual expenditure to the extent of Rs. 2,58,000. The Mysore Horse (which costs about Rs. 2 lakhs) may also be disbanded. A portion of the initial outlay would be covered by the sale of horses and other equipment now in the Mysore Lancers and the Mysore Horse which would become surplus.
It is understood that proposals in this behalf are already before Government.

Raising of a "Field Company and a Station Workshop."

The Chief Commandant is stated also to have already recommended to Government the raising of a "Field Company and a Station Workshop." Though this may involve considerable initial expenditure the proposal appears to be a desirable one, to ensure proper maintenance of the increasing number of mechanical vehicles of the department. This section could in due course also undertake execution of departmental works, as well as the repairs of vehicles maintained by other (civil) departments. A number of departments now maintain lorries for which there may be no full-time work and adequate provision for proper up-keep and repairs are also not available. These lorries may be made over to this Unit and the departments may borrow Transport whenever required from the Military.

Abolition of certain levies.

To secure increased efficiency in the men, the Chief Commandant has suggested that relief may be given in respect of a number of petty deductions (as noted

below) as it would go a long way to improve the morals. The deductions noted below work out to about Re. 0-14-0 per head per month and for a total number of about 4,000 men the cost will be about Rs. 42,000 per annum. While the savings effected by these deductions is not much *as compared* to the entire military expenditure, it is stated that they are a fruitful source of annoyance and also involve elaborate book-keeping. They may also give rise to petty defalcations, etc. The recommendation of the Chief Commandant to abolish these levies may, I think, be approved.

	Sepoys.	*Sowars.*
	Rs. a. p.	Rs. a. p.
House rent for providing family accommodation.	0 2 0	0 2 0
Electricity charges ,, ...	0 8 0	0 12 0
Temple fund-provision of religious teachers, etc.	0 1 0	0 2 0
Pot fund	0 0 6	0 0 6
Charpoy fund	0 0 6	...
Musketry training	0 0 6	0 0 6
Shooting	0 1 0	0 1 0

Retrenchment of Staff.

As regards retrenchment of staff, the Chief Commandant feels that no appreciable reduction is possible. It does not, however, appear necessary to have in the Headquarters, a high officer of the standing of a Colonel in charge of Administration, in addition to three other staff officers, an Accounts Assistant and a Recruiting Officer. The post of the Colonel may be abolished. The Chief Commandant may also be requested to effect a reduction of at least 12½ per cent in the ministerial establishment. He, however, lays stress on having trained personnel as in the case of other departments. This would have to be conceded.

Improvement in the methods of recruitment.

The Chief Commandant has made certain suggestions in regard to improvement in the methods of recruitment (*vide* para 5 of the Notes of discussion sent to Government separately). The post of a civilian recruiting officer may be abolished and in his place we may have a retired Military Officer. The District and Taluk Soldiers Boards are proposed to be revived. These proposals may be accepted and the Chief Commandant asked to submit formal proposals so as to result in substantial economies over the existing scale.

Improvement in Efficiency.

The Chief Commandant is of opinion that instead of giving a Ration allowance the issue of free rations be instituted, and that in future married accommodation should be provided only for 25 per cent of the men the remaining personnel being compelled to live in barracks.

In view of the improvement in efficiency likely to be secured, these proposals appear to be worth considering even if some extra cost be involved. He also suggests the adoption of the Indian Army Practice of recruiting for the army young men in their teens for a period of 15 years of which not more than 8 years is to be in Reserve. These proposals are expected *to secure considerable economies in Pension charges* and *will increase the number of trained men available for service in an emergency.* By providing about 7 years' service in the army the agriculturist who enrols will be able to put by some money by the time he leaves and the training and discipline in the Army will enable him to live a better standard of life when he gets back to agriculture. The detailed proposals in regard to these matters and the financial implications have, however, to be further examined in detail so that the proposal may really result in savings.

Kunigal Stud Farm.

The receipts and expenditure for the past several years, is noted below. It is seen therefrom that the

Year	Purchase of stock	Total expenditure including purchase or stock	Receipts	Net expenditure
	Rs.	Rs.	Rs.	Rs.
1938—39 ...	2,950	62,796	48,553	14,243
1939—40 ...	2,000	53,553	64,480	—10,927
1940—41 ...	8,824	66,295	36,682	29,613
1941—42 ...	9,745	60,295	1,11,047	—50,752
1942—43 ...	7,000	67,191	82,083	—14,892
1943—44 ...	25,835	1,07,539	1,63,364	—55,825
1944—45 ...	11,000	94,968	1,49,018	—54,050
1945—46 ...	13,340	96,015	86,096	9,919
1946—47 ...	99,343	1,87,233	65,533	1,21,690
1947—48 ... (Budget)	15,000	1,27,000	50,000	77,000
1948—49 ... (Budget)	25,000	1,40,000	50,000	90,900

farm has been on the whole a source of loss. While the Chief Commandant says that the Farm can be made self-supporting and run on commercial lines, if capital expenditure on purchase of additional mares, etc., is sanctioned, he adds that as it is maintained at present for the breeding of race horses only, it is for Government to consider whether this establishment need be continued. With the gradual extension of mechanisation, the utility of the Farm from the Military point has greatly diminished and there appears to be no need to continue it, at any rate, under Government management. The farm may be closed and the large extent of lands thus released thrown open for cultivation or, in the alternative,

if the Farm can be sold to advantage to any private breeder, this may be done.

5. There is a provision of Rs. 8 lakhsf or original works and in addition Rs. 3 lakhs has been provided under Palace Military. With a view to economise expenditure the total provision may be reduced to Rs. 5 lakhs per annum and with this assured recurring grant the programme of military buildings if any would I trust be completed within the next 5 years. A savings of Rs. 6 lakhs on this grant may therefore be taken into account. Building.

As most of the above proposals relate to policies or change of policies, an exact estimate of the savings cannot be worked out, but a general indication of the economies that could be secured is furnished below.

Particulars	Probable savings	Remarks
	Rs.	
1. (*a*) Head Quarters ...	12,000	By abolishing the post of Colonel in charge of Administration.
(*b*) Clerical staff ...	3,500	By retrenchment of 12½ per cent of the existing clerical staff.
2. *Mysore Lancers.*— Feed and upkeep of Horses and Mules.	2,58,000	By conversion of the Mysore Lancers to a Light Armoured Regiment at an initial cost of Rs. 10,03,000.
3. Mysore Horse ...	2,09,100	By disbanding Mysore Horse.
4. Mysore Infantry ...	9,55,000	By not raising the 5th and 6th Battalions previously contemplated, and replacing the existing 4th Battalion by the Palace Infantry.
Palace Military ...	2,00,000	.....
5. Kunigal Stud Farm ...	90,900(*a*)*	By closing or transferring it to a private or joint stock agency. If the lands are given for cultivation we will get in addition to a large sum by sale of land and buildings, an additional sum as Land Revenue from nearly 470 acres of land.
6. Reducing Building grant.	6,00,000	.....
Total ...	23,28,500	
Receipt from Transport Department.	1,75,000	.....

*(*a*) Amount provided in the Budget for 1948-49.

Per contra there may be some extra cost on account of—

(1) Issue of Free Rations in lieu of Ration Allowance.

(2) Providing free travelling facilities.

(3) By the discontinuance of levy of a number of petty deduction amounting to about Re. 0-14-0 per month per man.

(4) By raising the clothing allowance from Rs. 3 to Rs. 4 per mensem.

(5) Raising of the field company and a station workshop.

NOTE.—Some initial expenditure (estimated at about Rs. 10,03,000) has to be incurred for converting the Mysore Lancers to an Armoured Regiment. As against this, some capital gains are expected by the disposal of the lands of the Kunigal Stud Farm and the sale of its stock, as also the Horses and Mules of the Mysore Lancers and Mysore Horse.

32-B. Expenditure connected with Food and other control measures.

1—*Food Secretariat.*

Constitution of separate Food Secretariat.

With the constitution of separate Food Department, the Director of Food Supplies was made also *ex-officio* Secretary to Government in the Food Department. As the operations of the Department expanded, it was felt desirable to separate the Secretariat functions from that of a Head of the Department. Accordingly a separate Food Secretariat was formed in 1943, the Development Secretary, being, in addition, Secretary to the Food Department, the Secretariat staff along with the Assistant Secretary working under the Director of Food Supplies being simultaneously transferred to the New Secretariat. Subsequently when food conditions rapidly deteriorated and large supplies had to be obtained from outside, a separate full-time officer was posted as Food Secretary. The Secretarial work relating to the Civil Supplies Department and decrease of work in the Food Supplies section as a result of the de-control measures, some reductions in the non-gazetted staff of this Secretariat appear to have since been made. But as per particulars furnished by the Secretary, Food and Civil Supplies Department, the undermentioned establishment is still working in that office.

A. Ministerial Staff.

	Food Supplies Section	*Civil Supplies Section*	*Total*
Superintendent ...	1	...	1
Case Work Clerks ...	4	1	5
Lower Division Clerks ...	5	1	6
Steno-Typist ...	1	...	1
Total ...	11	2	13

B. Menial Staff.

Mutchi ...	1	...	1
Duffedar* ...	2	...	2
Peons* ...	9	1	10
Total ...	12	1	13

The Secretary, Food Supplies Department, who was requested to state whether a further reduction in the

* Includes staff working with Food Secretary. No information is available regarding menial staff with Assistant Secretary.

staff is not possible, states that at present there could be no further retrenchment in the existing officers and staff, and that the position could be reviewed only at the end of June 1949 by which time the effects of de-control can be properly assessed. This position cannot, I think, be accepted.

Economies in Staff.

2. From the particulars furnished by the Secretary and the distribution of work in the Food and Civil Supplies Branches, it is seen that besides a Superintendent there are still 5 Case workers, 3 File register keepers, a Diarist and a Despatcher, as also a Steno-typist and another Second Division Clerk doing typing and miscellaneous work. The statistics of receipts and issues shows, however, that there has been a falling off in the months of February and March, and it may not be wrong to expect that the receipts and issues will get further reduced hereafter month by month. The need for three File register keepers in addition to a Diarist and Despatcher is not clear nor does there appear to be need for five full-time case workers. At least two case workers and two officials who are doing routine work such as file registering, etc., may, therefore, be disbanded leaving the following staff for the whole branch :—

1	Superintendent
3	Case workers
4	Lower Division Clerks
1	Steno-Typist
9	

Under Menial staff, for this small section, there appears to be one Mutchi, one Duffedar and 6 peons, apart from the menial staff (1 Duffedar and 4 peons) separately provided for the Secretary. As two peons would be quite sufficient for the office, 1 Duffedar and 4 peons may I think be dispensed with. In my note dated 28th April 1948 submitted separately, I have suggested that the whole-time post of Food Secretary may also be unnecessary and may be abolished. If this is done, the Duffedar and 4 orderlies attached to the Food Secretary could also be dispensed with.

3. This Branch is now being run as an independent Branch. Whether with the reduced staff, it could not be amalgamated with any other Branch in the Secretariat is also a matter for consideration. By such amalgamation, one Superintendent and either or both the posts of Diarist and Despatcher and some menial staff may be saved.

3—Food Supplies Department.

General.

4. In July 1948, I submitted a Note to Government regarding economies that could be effected in the Food Department. At that time it was expected that the controls then existing would disappear in the coming month and my note indicated in the adequacy of the economies effected in the several sections of the Food Department. The position however has worsened since then and control of foodgrains involving acquisitions, surpluses and distribution of these and imported stuff has again commenced. This would mean the unemployment of at least a part of the staff that had been disbanded. It is not possible now to say at the additional establishment would be and what its cost.

5. The need for economy is however paramount and much more so now than previously owing to the deterioration in the Budgettary position.

6. It was also expected that considerable subsidy would have to be paid both in respect of imported food grains and *local* food grains. It is therefore needless to state that in fixing prices for acquisitions and for sale of food grains, the greatest care is necessary. Similarly also in fixing the establishments, cost of transport and yields, considerations of Economy should have to play a large part.

7. Beyond these generalisations there is nothing new about them, and I have no specific measures of economy to suggest. The Director and the Deputy Commissioner should see that in practice the maximum economies possible are enforced as it is quite possible to be unnecessarily liberal in (1) scale of establishment, (2) allowances for driage, wastage, etc., (3) transport charges, and (4) yield from mills.

4—Petrol Rationing.

8. An establishment including an Assistant Superintendent of Police at a cost of Rs. 9,800 is employed for this purpose. The entire establishment will obviously become unnecessary and would be abolished when Petrol Rationing ceases.

5—Emergency Police.

9. The expenditure on this account used to be exhibited under "32-B—Expenditure connected with war, food, etc." This year, however, it is shown under the

Police Department. The expenditure is mainly on account of extra police for food control operations, Internal Security Special Branches and District Intelligence, Duty allowance to the political staff of Bangalore, etc., expansion of civil police in the Cities, Registration of Foreigners, Temporary Police Out-posts, etc. It is presumed that with the close of food control work a good part of this establishment will cease. The provision for Internal Security Special Branches and for Expansion of City Police, Police Training School, etc., requires to be reviewed with a view to cut down all excess establishment and it is presumed that this work will be attended to by the Committee referred to in para 6 of the note on Police Department. Establishments at present are all on very generous scale. There appears to be no justification also to show these under Emergency Police unless these establishments will all be wound up when the "emergency" ceases.

17—House Rent Control.

10. A provision of Rs. 14,500 is made in the budget for expenditure in connection with House Rent Control. The House Rent Controller and his establishment and also the establishment under the Commissioner of Income-tax who is the appellate authority would all become unnecessary when House Rent Control ceases.

35. Miscellaneous Railway Expenditure.

The expenditure under this head for the last ten years is noted below :—

(Rupees in lakhs)

.....	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48 (Revised)	1948—49 (Budget)
Surveys ...	0·02	—0·05	0·06	0·14	—0·23	0·07	0·09	0·07	0·20	0·22	0·61

It is seen therefrom that the annual expenditure for surveys during these years is less than Rs. 10,000 except in the year 1946-47. The existing grant of Rs. 61,000 may therefore be reduced by Rs. 50,000.

———

XXIV. Railways—Net Receipts.

Statistics of Receipts and Expenditure.

The accompanying statement shows the Capital at charge, Gross Receipts, Working expenses and Net Receipts of the Mysore Railways since 1929-30. The gross receipt which had reached Rs. 200·47 lakhs in 1946-47 has gone down and the Budget estimate for the current year is Rs. 192·69 lakhs.

Increases in working expense.

2. The working expenses have however gone on gradually increasing from Rs. 56·02 lakhs in 1938-39 to Rs. 143·58 lakhs as budgetted in 1948·49 in spite of there being no special contribution to Depreciation Fund. The mileage of the Railways has remained practically the same during the last few years. I have enclosed also for information (Annexure No. XVIII) a statement published in the Statistical Abstract giving statistics relating to mileage, rolling stock, passengers carried, etc., relating to this department.

Means for augmenting Revenue.

3. Regarding measures for augmenting Revenues and for economies in expenditure, the General Manager, Mysore Railways, who had been requested to furnish replies to the questionnaire has still not been able to send the same. In the meanwhile the Auditor, Mysore Railways, has sent a detailed note regarding points that may be usefully examined while considering measures of economy. Free use of this has been made in the Note below.

4. It is understood from the Auditor that at the invitation of the Government, the Indian Railways Enquiry Committee is reviewing the working of our Railways and making recommendation for its improvements and that its findings are awaited. As stated by him "To try to cover the same ground independently pending the formulation of the views of so competent a body of Experts would appear presumptuous."

5. The Railway fares for I and II class passengers which had been enhanced on 1st January 1948 have now been reduced all over India. It is understood that these rates are now being adopted in Mysore also. The reduction in rates may result in a fall in Revenue although the exact extent cannot be anticipated as it is too early to guage the results of these changes. The Auditor however is of opinion that a suitable enhancement "in place to place rates quoted in local booking, siding and terminal charges, etc., may be possible." This may be examined. He also considers that a sum of at least Rs. 8 lakhs may be taken as being lost by "Ticketless Travelling". It is

presumed that measures taken recently in this behalf would considerably check these losses. Regarding measures for augmenting Revenues, no useful suggestions could be offered in the absence of information regarding the arrangement with the Government of India about adopting their rates for passenger and goods traffic.

Economy in Expenditure.

6. With regard to economy in Railway expenditure, this may as suggested by the Auditor, be analysed under the following items arranged in the order of their heaviness and importance :—

1. Cost of Establishment.
2. Fuel Charges.
3. Expenditure on Stores and Spares.
4. Incidental costs.
5. Rents, rates and taxes.

Establishment.

7. With regard to establishment, economies if any would have to be secured only by reduction in numbers since it is understood that there is still pressure for further improvement in the scales even as revised recently and the grant of more amenities. The recommendation of the Indian Railway Enquiry Committee in this matter may, perhaps, be awaited and in the meanwhile each department of the Railway may be requested to work out the out-turn of work for the several kinds of staff that can reasonably be expected and examine whether on this basis there is a surplus staff. They may also be requested to see if any simplification of procedure or use of labour-saving devices will result in the employment of smaller numbers. A departmental Committee with the Efficiency Audit Officer and the Auditor, Mysore Railways, could attend to this and we may expect some economy at least as a result of their efforts.

Fuel charges.

8. The securing economy in the use of coal would result in large savings in expenditure. The avoidance of its loss in transit and in the sheds and a careful scrutiny over its use would assuredly result in large savings under this head. It is understood that the consumption of coal on our trains is more than on other Railways. This matter would have to be examined after obtaining the necessary data from other Railways. *The use of coal would have to be avoided wherever possible by substituting Electric Power.*

Stores and Spares.

9. With regard to expenditure on Stores and Spares, it is necessary to see that there is no surplus or ineffective stock or stores maintained for long periods. The list of materials remaining unused for long time would have to

be reviewed and measures taken to see that materials that are unnecessary are not obtained and stocked. This can only be done by an intelligent and careful scrutiny of purchases. Except those in respect of which minimum stock is prescribed no other purchase should be allowed except when covered by a sanctioned estimate or specific provision in the Stores Budget. For this purpose the Stores Budget has to be very carefully prepared and should include only the Stores required for annual maintenance and running of Railways regarding which standard estimates would presumably be available and for capital works proposed to be taken for which appropriations have been made in the Budget. In other words there should be a very close relation between the Expenditure-Budget,—both capital and revenue, of the department and the Stores-Budget. The minimum stock of the several articles to be kept in stores should also be very carefully checked with reference to requirements the limits fixed for consumable stores being reviewed often to see that they are not unnecessarily excessive. The reduction in the number of stations is also one of the methods suggested by the Auditor in minimising the expenditure. This also may be examined.

Rent for Railway Quarters.

10. With regard to rent for Railway quarters, whether the rate of rent may not be enhanced especially in respect of the superior officers' quarters may also be considered. Similarly economy in the maintenance charges of Railway Buildings would have to be examined.

11. I have assumed *arbitrarily* that consequent on fall in railway traffic and increased working expenses there may be a reduction under Net Revenues and we should be prepared for a fall under this head, the net revenue being placed at Rs. 35 lakhs representing a return of about 5 per cent on capital. Measures necessary should be taken to see that the Revenue does not fall lower.

Statement showing the capital at charge Gross Receipts, Working Expenses and Net Receipts of the Mysore Railways since 1929-30.

Rupees in lakhs.

.....	Capital at Charge	Gross Receipts			Working Expenses			Surplus Profits			Guaranteed Interest				Net Receipts		
		State Railways worked by M. & S. M. Railway	Railways worked by Government	Total	State Railways worked by M. & S. M. Railway	Railways worked by Government	Total	M. & S. M. Railway	N. C. Railway, P. C. L. Ry. and K. D. B. Railway	Total	K. D. B. Railway Debentures	B. C. L. Railway Shares	Mysore Railway Sterling Debentures	Total	State Railways worked by M. & S. M. Railway	Railways worked by Government	Total
1929-30 ...	536·58	47·54	38·03	85·57	26·07	30·34	56·41	1·04	·35	1·39	·18	·26	6·40	6·84	14·03	6·90	20·93
1930-31 ...	565·11	44·38	33·10	77·48	25·91	29·10	55·01	·80	·28	1·08	·18	·26	6·40	6·84	11·27	3·28	14·55
1931-32 ...	577·00	43·05	30 20	73·25	23·45	25·99	49·44	·90	·37	1·27	·18	·24	6·40	6·82	12·30	3·42	15·72
1932-33 ...	583·33	42·03	30·57	72·60	23·99	25·93	49·92	·72	·36	1·08	·18	·26	6·40	6·84	10·92	3·84	14·76
1933-34 ...	590·66	37·41	33·78	71·19	21·33	27·29	48·62	·70	·34	1·04	·18	·26	6·40	6·84	8·58	5·71	14·69
1934-35 ...	597·63	38·94	31·90	70 84	23·70	28·66	52·36	·63	·27	·90	·03	·27	6·40	6·70	8·21	2·67	10·88
1935-36 ...	607·37	39·73	33·31	73·04	24·73	28·46	53·19	·60	·28	·88	·15	·27	6·40	6·82	8·00	4·15	12·15
1936-37 ...	620·52	39·35	32·50	71·85	23·87	28·28	52·15	·63	·28	·91	·11	·27	...	·38	14·85	3·56	18·41
1937-38 ...	642·44	19.29	52·65	71·94	13·08	38·80	51·88	·46	·45	·91	·02	27	...	·29	5·74	13·12	18·86
1938-39 ...	656·33	1·98	79·91	81·89	1·26	54·47	55·73	·04	·56	·60	·02	·27	...	·29	·68	24 59	25·27
1939-40 ...	667·04	1·75	82·82	84·57	1·08	55·09	56·17	03	·59	·62	·02	27	...	·29	·63	26.86	27·49
1940-41 ...	670·71	2·06	91·50	93·56	1·04	65·00	66·04	·05	·61	·66	...	·26	...	·26	·98	25·62	26·60
1941-42 ...	678·06	1·99	98·71	100·70	1·04	76·71	77·75	·06	·75	·81	...	·26	...	·26	·89	20·99	21·88
1942-43 ...	684·92	1·76	115·14	116·90	·92	78·21	79·13	·04	1·36	1·40	...	·26	...	·26	·80	35·31	36·11
1943-44 ...	689·45	2·06	155·36	157·42	1·13	97·98	99·11	·04	1·77	1·81	...	·26	...	·26	89	55·35	56·24
1944-45 ...	690·97	2·24	176·58	178·82	1·41	116·11	117·53	·05	1·78	1·83	...	·20	...	...	·78	58.48	59·26
1945-46 ...	700·84	2·44	179·36	182·00	1·20	121·42	122·62	·01	1·51	1·52	...	...	...	...	1·23	56·63	57·86
1946-47 ...	709·55	2·34	198·13	200·47	1·97	130·78	132·75	·05	·97	1·02	...	...	...	...	·33	66·39	66.72
1947-48 (Revised).	...	2·69	175·00	177·69	2·00	143·82	145·82	·02	·60	·62	...	...	...	...	·67	30·58	31·25
1948-49 (Budget).	...	2·69	190·00	192·69	2·00	141·58	143·58	·02	·60	·62	...	...	..	...	·67	47.82	48·49

XXV. Krishnaraja Sagara Irrigation Works.

Net Receipts.

Lumpsum cuts under maintenance expenditure.

The capital at charge, gross receipts, working expenses and the net receipts have been furnished in the statement noted below. The main source of receipts is water rate. The question of enhancing this has already been discussed under "I.—Land Revenue." Regarding the working expenses under this head, the Chief Engineer may be requested to secure a reduction in the working expenses of at least 12½ per cent by suitable readjustments by reductions under maintenance expenditure both under Reservoir and allied channels of Irwin Canal.

(In lakhs of rupees.)

...	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
Capital at charge.	456.52	470·09	482 32	492·19	504·40	517·63	527·78	540·22	549·77	564·82	580·57
Gross receipts.	4·76	5·58	5·73	6·50	4·85	4·96	5·89	7·43	9·46	10·50	11·81
Working expenses.	3·66	3·57	4·17	4·12	3·97	4·05	4·73	4·41	5·45	5·78	6·45
Net receipts...	1·10	2·01	1·56	2·38	0·88	0·90	1·11	3·02	4·01	4·77	5·36

XXV. Hydro Electric Works—Net Receipts.

Proposals for augmenting Revenue.

Although there has been large increase in maintenance expenditure the rates charged by the Department has remained almost the same for the last 25 years.

From the figures noted in paragraph 2 of the Note on expenditure, it is seen that although gross revenues have increased, there has been a fall in "Net receipts" owing to the increase in working expenses the increase in working expenses being mainly due to the reorganisation of the department four years ago, improvement in basic scales of pay recently sanctioned and enhancement of Dearness Allowance etc. It may be observed that inspite of this very large increase in establishment and costs of operation and maintenance, the rates charged by this department have remained almost the same for the last 25 years and more and the net revenues have thus suffered. Again although there have been also large increases under Capital in recent years, there has been no corresponding increase under Gross Receipts as the Jog electrification scheme has not begun to yield its share of the revenue yet. It is also understood that the Iron and Steel works and other concerns which were expected to take up large blocks of power are still not ready to do so, and unless every effort is made for the prompt utilisation of power that is made available we will be losing Revenue and this aspect requires constant review. It need hardly be added that in a large Revenue earning department like this, the realisation of all possible revenue is more important than securing small retrenchments here and there, as such economies would at best represent only a small fraction of the total Revenues of the department.

2. In view of the large increase in the level of working expenses and the imperataive need for securing additional revenue, it was therefore felt necessary to examine the scope for increases in the rates of Power and Lighting now charged and the Chief Electrical Engineer was accordingly requested to offer his views in the matter. He however says:—

(i) Rates for lighting charged by us is the highest in India, and there is therefore no case for raising them further;

(ii) Rates charged for small industries compares favourably with the rates charged in neighbouring Provinces, but the rates here should not be raised in the interest of stimulating the increased use of electricity by the people and raising their standard of living;

(iii) *Re* large industries, the rate at present charged is practically the same as in neighbouring Provinces, but in view

of the indirect benefits accruing by encouraging the establishment of large industries in the State and the desirability of attracting such industries into the State and utilising our potential power resources, he is not in favour of increasing the rates for electricity *for any purpose.*

In the result, he is not for increasing the rates either for Power or Lighting.

Need for increasing rates.

3. While the raising of rates for Power and Lighting would doubtless be extremely unpopular, yet the imperative need for securing additional revenue for meeting our ever-growing expenditure particularly in the development departments and of the fact that our electrical undertakings are *not* giving fabulous returns, as is popularly imagined, the revision of rates appears to be inevitable. The undermentioned statement shows the capital invested, gross receipts, working expenses, interest on capital, net receipts and percentage of net return on capital. From this statement it will be seen that the returns from the undertakings are latterly less than 5 per cent, after deducting interest on capital. If in addition it is remembered that no Income and Super-taxes are being levied nor any Royalties recovered (which would have to be done if this were a private concern), it would be clear that the present returns cannot by any means be considered as very good especially when it is seen that Commercial Electrical undertakings in the Indian Dominion have been yielding better returns to the shareholders *after paying taxes* to the Government; *vide* statement below. We would therefore not be wrong if the rates are raised suitably so as to get a reasonable return to the State from this "Nationalised" undertaking, while at the same time insisting on the strictest economy and promptest and most efficient service to the consumer.

	Dividend declared in 1947.	*Per cent.*
1.	Andhra Valley Power Supply & Co. ...	7½
2.	Bombay Suburban Electric Supply, Ltd. ...	7
3.	Karachi Electric Supply	7
4.	Nasik Deolali Electric Supply	6
5.	Poona Electric Supply	9
6.	Surat Electricity	7
7.	Tata Hydro-Electric Power Supply ...	7½
8.	Tata Power	7½
		23*

Rates for Domestic Lighting.

4. Although in some places, *e.g.*, Bombay and Delhi, the *basic* rates are lower than ours, yet there are other places as noted below where the rates are higher. Again, in many places in addition to the basic rates it is understood that surcharges are being levied. Hence the Chief Electrical Engineer's contention that our rates are the highest in India cannot be accepted.

Place.	*Anna per Unit.*	*Surcharge.*
Chittoor	4·5	*
Mangalore	6·0	*
Salem	4·5	*
Hindupur	5·75	*
Travancore	4·5	0·5
Madras	4·0	*

*Information regarding surcharges could not be obtained in time.

The following measures suggested by the Auditor of the Department for improving revenue are therefore strongly recommended for adoption :—

(1) Levying a surcharge of one anna per unit on all Lighting loads ;

(2) The raising of the minimum of Rs. 1-11-0 now being charged to Rs. 2 a month ;

(3) Raising the flat rate per light from 8 annas to 12 annas ;

(4) The present exemption regarding levy of meter hire in cases where consumption is below 7 points may be removed, and a levy of 8 annas per meter made in these cases also, the rate being raised to Re. 1 in cases above 15 points. The following increases in meter hire in other cases may be considered :—

	Rs.	a.	p.
Advertisement lights ...	1	0	0
Power installation below 50 H.P. ...	1	8	0
Above 50 H.P.	2	0	0

The rate for temporary installations may be 50 per cent more than for *permanent* installations. In addition a temporary surcharge of 25 per cent may be levied in these cases.

Rates for Power Supply for Industrial purposes.

5. These were revised in the year 1944. This revision affected consumers of installations rated between 1 and 10 H.P. The rate of 9 pies per Unit was raised to one anna a Unit and a minimum of 50 Units or Rs. 3-2-0 per mensem per H.P. was introduced for the first time. Consumers of installations with a rated H.P. of 11 to 20 were affected in a smaller degree in that the rate per Unit was enhanced from 9 pies to one anna and the minimum consumption per month was raised to 50 Units

as against 30 Units. The revision has not in anyway affected installations rated at 21 H.P. and above. It may therefore be equitable to revise the rates for these classes of consumers also. The revision suggested below by the Auditor may perhaps be accepted.

51-100 H.P.	Present Rate	Proposed Rate	Present Minimum	Proposed Minimum
High Tension Supply.	0·80 anna for the first 80 Units per H.P.	0-1-0	80 Units per H.P.	100 Units per H.P.
	0·60 anna from 81 to 150 Units per H.P.	0·75 anna		
	0·50 anna per 150 Units per H.P.	0·65 anna		
Low Power Tension Supply.	0·80 anna for the first 80 Units per H.P.	0-1-0	80 Units per H.P.	100 Units per H.P.
	0·70 from 81 to 150 per H.P.	0·85 anna		
	0·55 anna over 150 Units per H.P.	0·70 anna		

The question of levying an additional surcharge of 10 per cent on the above may also be examined.

Heating installations.

6. At present there is no minimum fixed for heating installations. A suitable minimum may be fixed and the rate for heating installations raised from 6 pies to 9 pies per Unit. No servicing charges are levied now. A fee of Rs. 10 may be levied for each new Unit serviced. There is now delay in servicing new Units. As delay means loss of revenue, all such delays are to be avoided and it should be made the duty of Audit as part of their work in auditing revenues to see that losses and leakages in revenue are avoided.

7. The following rates for servicing installations are suggested :—

	Rs.
(*a*) Lighting Installations rated at 3 points ...	10
Do do above 3 points ...	15
(*b*) Power installations with a nominal H.P. of 3...	20
Do do 4 to 20 ...	25
Do do 21 to 30 ...	40
Do do above 50 ...	50
(*c*) Irrigation Pumping Installations	15
(*d*) Heating Installations	10
(*e*) Domestic pumps	10

The Auditor also suggests that the discount now being allowed on a sliding scale in respect of permanent lighting

installations for higher consumption of 500 Units or more may be discontinued or at least revised. This also deserves consideration.

8. These proposals if accepted will bring in an additional Revenue of Rs. 20 lakhs.

Increase in Revenue during the next five years.

9. Consequent on the availability and sale of the additional power generated at Jog, we must expect substantial additional Revenues on this account without very much additional expenditure on capital as most of these have been taken care of already.

10. The Chief Electrical Engineer anticipates that, with the prospective loads from the Pig Iron and Ferro-Alloys Furnaces at Bhadravathi and Industries such as Alluminium Plant, Stainless Steel Plant at Shimoga and other developments a *gross* revenue of Rs. 247·5 may be expected to be realised by 1954 from the Electrical Installations at Sivasamudram, Shimshapur and the 1st two stages of Jog.—

	In lakhs of Rupees.
1948—49	125·5
1949—50	145·0
1950—51	171·0
1951—52	196·5
1952—53	222·0
1953—54	247·5

I do not know if the Chief Electrical Engineer is not rather optimistic in his anticipations but considering that for an additional output of 1·20 lakhs H.P., he has anticipated an additional Revenue of only the amount we are now getting for 77,000 H.P. (54,000 Sivasamudram and 23,000 Shimsha). His estimate may be realisable. Assuming that the working expenses for earning this additional revenue would be about Rs. 40 lakhs (including contribution to Depreciation Fund on account of the additional capital), I think we can safely take an additional 80 lakhs net receipts on this account in about five years from now. I have accordingly taken this into account in my forecast.

Augmentation of Revenue.—

	Rupees
Power.—Increasing the rates of Power and Installation charges	20,00,000

———

Economies in Expenditure.

Development of Hydro-Electric Power.

11. Mysore was the pioneer in the development of Electric power in India and with the mounting demand the Hydro-Electric Works at Sivasamudram started in 1900-01 has gone on expanding from time to time till it is now more than 8 times its original capacity and even this being inadequate two more generating stations have since been added—one at Shimsha and the other at Jog. The first Stage of Jog—the Mahatma Gandhi Hydro-Electric Works - is almost completed and the second stage is under active execution. There are also proposals to duplicate the power generation at Jog and in addition to take up the generation of power at Mekedatu on the Cauvery. There is provision also to develop Electric Power at Krishnarajasagara, and the Lakkavalli dam under construction is also proposed to be designed for generation of Electric Power.

Statistics of Power Generation and of Receipts and Expenditure of the Department.

12. The following figures give a general idea of the growth of the power generated and income and expenditure in this department since 1938-39.

Year	Units of power generated	Gross Receipts	Working Expenses	Net Receipts	Capital outlay at end of the year.
	(in lakhs.)	(In lakhs of Rupees)			
1938—39 ...	2,521	70·76	24·07	46·69	534·82
1939—40 ...	2,783	77·46	27·98	49·48	571·68
1940—41 ...	2,968	86·43	30·12	56·31	606·43
1941—42 ...	3,108	96·86	36·14	60·72	655·55
1942—43 ...	2,986	92·11	32·77	59·34	714·94
1943—44 ...	3,031	104·74	33·71	71·03	799·41
1944-45 ...	2,860	93·72	38·65	55·07	891·20
1945—46 ...	3,037	103·33	40·03	63·30	995·93*
1946—47 ...	3,328	118·32	44·06	74·27	1,106·68*
Revised—					
1947—48 ...	3,433	122·86	53·62	69·24	1,290·81*
Budget—					
1948—49 ...	...	125·74	62·81	62·93	1,672·29*

* Includes outlay on Jog Project.

Increase under Expenditure.

13. While there has been a steady increase in the Gross Receipts (except for a fall in 1944-45 on account of a serious accident to the Generating Station at Sivasamudram), the net receipts have however not increased correspondingly and this is due to the increase under Working expenses which has gone up from Rs. 24·26 lakhs in 1938-39 to Rs. 62·40 lakhs as Budgetted in the current year. The statement below gives

the principal items of Working Expenses since 1938-39 :—

In lakhs of rupees.

Head of Expenditure	1938—39	1940—41	1942—43	1943—44	1944—45	1946—47	1947—48 Revised	1948—49 Budget
1 Administration ...	2·25	2·52	2·12	2·24	2·16	2·86	3·33	3·08
2 Generation ...	2·97	3·86	3·31	3·74	3·68	4·28	5·20	9·16
3 Transmission ...	1·87	1·93	2·44	2·63	2·50	3·14	3·69	4·37
4 Distribution ...	7·56	8·24	8·24	8·44	8·65	10·30	11·94	14·90
5 Telephones ...	·30	·32	·37	·43	·39	·68	1·07	5·20
6 Depreciation Contribution.	8·79	12·12	12·76	13·28	14·46	15·02	18·90	21·00
7 Provident Fund Contribution.	·52	·55	·47	·53	·58	·48	·08	·09
8 Pension Fund Contribution.	...	...	·20	·37	·65	·52	2·33	2·60
9 Dearness allowance.	...	...	1·16	1·69	2·41	5·79	6·60	6·00
Total ...	24·26	29·54	31·07	32·45	36·48	43·07	53·14	62·40
Expenditure on salaries and establishment included under items (1) to (5) above.	10·06	11·65	12·20	12·32	12·55	14·42	17·39	20·68

14. The expenditure under items 6, 7, 8 and 9 (*i.e.*, Depreciation, Provident Fund, Pensions and Dearness allowance) is regulated by prescribed rates. The increase under pension Fund Contribution is due to a change-over from the Provident Fund to the Pension system. Regarding Depreciation, the balance at credit of the Depreciation Fund at the end of 1946-47 was Rs. 154·80 lakhs, and this is expected to rise to Rs. 180·49 lakhs by the end of 1948-49.

Depreciation Fund.

15. A statement showing the Balance, Credits and Debits to Depreciation Fund during the last 10 years is noted below :—

In lakhs of Rupees.

.....	1939—40	1940—41	1941—42	1942—43	1943—44
1	2	3	4	5	6
Opening Balance	76·37	87·11	97·96	114·12	126·31
Receipts	10·44	12·10	17·24	12·76	13·36
Expenditure	1·70	1·25	1·28	·57	1·84
Closing Balance	87·11	97·96	114·12	126·31	137·83

.....	1944—45	1945—46	1946—47	1947—48	1948—49
.....	7	8	9	10	11
Opening Balance	137·83	135·72	141·27	154·80	169·55
Receipts	14·46	14·77	17·23	18·90	21·00
Expenditure	16·57	9·23	3·69	4·25	9·86
Closing Balance	135·72	141·27	154·80	169·35	180·49

It will be observed from this statement that except during 1944-45 (when extensive works had to be undertaken at Sivasamudram in connection with replacements and renewals consequent on the fire accident there), the credits have always exceeded the debits and quite often the debits are only a small fraction of the annual contribution. When the country needs large funds for Electrical Development and the credits to the Depreciation Fund invariably exceed the debits, it is a point for consideration why we should not utilise a larger portion of the investments now held against the Depreciation Fund for further capital expenditure or new Electrical installations thus avoiding borrowing. The Depreciation Fund has been created out of profits and it would not be wrong to "plough it back into business" instead of keeping it in gilt edged securities as long as there are sufficient liquid balances to take care of normal Depreciation Fund Works and to meet charges on account of any unforeseen emergencies. This point has been further discussed in the Chapter on Electrical Works capital. The credits at present are calculated at 3 per cent of the capital on the Electric portion (the percentage having been raised from 2½ to 3 in 1947-48) and 1 per cent on the Irrigation portion. In order to ease the Revenue position the credits to Depreciation Fund may be reduced to 2½ per cent as was done prior to 1947-48 all expenditure on capital up to Rs. 2,000 being however debited to Revenue account.

Salaries and Establishment.

16. The major portion of the balance of expenditure under working expenses, is on salaries and establishment and it is to this head we should mainly look to for securing economies in expenditure.—

(In lakhs of Rupees).

	1938-39	1942-43	1944-45	1946-47	1947-48	1948-49
Total expenditure on items 1 to 5 *i.e.*, Administration, General, Transmission, Distribution and Telephones.	14·95	16·48	17·38	21·26	25·23	36·71
Expenditure on Salaries and Establishment included in the above.	10·06	12·20	12·55	14·42	17·39	20·68

The increase under Salaries and Establishment is particularly noticeable since 1946-47, and as compared with 1938-39 the expenditure has practically doubled. A good part of this increase is due to the revision of scales of pay

recently sanctioned for which lumpsums aggregating to Rs. 5·25 lakhs have been provided even in the Budget of 1948-49. A portion of the increase in establishment charges is also due to the comprehensive reorganisation of all the Sections of the department sanctioned by Government in September 1944 at an average extra cost of Rs. 2·25 lakhs per annum. In this order the strength of each individual unit was fixed, and the total number of hands increased from 861 to 1,054 under regular establishment and from 1,699 to 1,934 under Work Establishment. Although the standards for individual Unit Offices fixed in the Government Order of 1944 seem to be still the general guiding factor, the number of officers and establishments including work establishment has since increased still further as shown below.

	1948	*1944*
Gazetted Officers ...	86	62
Non-gazetted Officers ...	1,409	867
Menials	222	125
Maintenance Establishment ...	2,759	1,934

The cost per Unit of power generated has also increased, as seen from the undermentioned figures extracted from the administration reports of the department, and is now more than double that in 1931-32. How far this could be reduced without reducing the standard of efficiency is a point for consideration. For purposes of comparison I wanted to get at the costs incurred by other Governments or companies, but the information does not seem to be available.

	Cost per Unit in pies.
1931-32	1·206
1938-39	1·811
1941-42	1·894
1943-44	2·096
1944-45	2·525
1945-46	2·485
1946-47	2·500
1947-48	2·948

17. A cursory examination of the strength of establishment sanctioned in the Government Order of 1944 seems however to indicate that there is scope for securing savings particularly in the higher administrative offices. The number of Gazetted Officers in the Head Office appears to be too many and this seems to be capable of reduction especially as each of the several Units is generously staffed. The need for an Accounts Assistant

when there is a Financial Branch attached to the Department is also not clear. Taking the Typing Section, there are 13 posts of Steno-Typists and Typists distributed as under :—

Administrative Section	...	Head Stenographer	...	1
		Stenographers	...	2
Stores Purchase :—				
Foreign	...	Stenographer	...	1
Local	...	Stenographers	...	2
Technical Establishment				
Special Branch	...	Stenographer	...	1
Electrical	...	Do	...	1
Correspondence Section	...	Senior Stenographer	...	1
		Stenographer	...	1
		Typist	...	1
Electrical Laboratory	...	Stenographer	...	1
Cauvery Power Scheme Stores	...	Typist	...	1
				13

In addition, there are three more borne on the temporary cadre. By pooling the work in the several sections it may perhaps be possible to reduce the number of Stenographers. Again, in the Records Section, there is one Head Record-keeper and three Assistant Record-keepers and one Attender. Some of the Assistant Record-keepers could be replaced by Attenders. Whether two Registering Clerks, two Despatching Clerks and a Miscellaneous Clerk are necessary for the Correspondence Section also requires examination.

Appointment of an expert committee to examine the technical staff requirements.

18. In the District staff also economies may be possible but the work of this department being extremely technical no arbitrary curtailments could be suggested. An expert Committee may therefore be appointed to examine the working of the department and suggest measures for economising the expenditure fixing minimum scales of establishment for maintenance works. The Committee may include the Chief Electrical Engineer, the Auditor, Electrical Department, the Special Officer for Efficiency Audit and an outside Expert who has had intimate knowledge of Commercial Electrical undertakings. This Committee may also be requested to consider the question of decentralisation of powers in the Department and consequent reduction of work in the higher offices and securing at the same time increased promptness and efficiency. The abolition of separate posts of Superintendents of Lines and some Assistant Superintendents and

adding this work to the several sections concerned may also be examined.

19. The other items included under "Working Expenses" are noted below :—

	1948-49	1947-48	1946-47	1938-39	Reduction suggested
	Rs.	Rs.	Rs.	Rs.	Percent
Travelling allowances ...	96,800	99,600	85,089	87,970	10
Contingencies	27,400	28,600	19,943	13,139	20
Maintenance of Plants ...	1,03,700	87,000	86,555	65,184	5
Buildings	69,400	55,200	24,377	17,127	20
Power and Telephone Lines ...	60,000	60,000	62,575	25,412	5
Distribution Line	1,27,700	75,400	1,18,579	1,10,504	20
Channels	15,000	8,000	4,869	1,991	20
Laboratory charges	5,000	5,000	5,147	...	...
Printing	25,000	45,000	23,206	19,252	...
Renewal of Lamps	19,200	19,000	18,191	20,944	...
Gratuities	7,000	6,500	14,169	...	...
Royalty to Madras	20,000	20,000	20,000	20,000	...
Miscellaneous other items ...	1,13,300	1,26,600	1,51,307	44,142	10

I should consider that pending reports from the Committee lumpsum reductions as noted above under each of the items noted therein may be effected. Similarly, the Chief Electrical Engineer may be requested to secure reductions in the gazetted, technical, executive and ministerial staff by an alround five per cent reduction.

Statement of Retrenchment.—	Rs.
1. Five per cent cut on Salaries and Establishment	50,300
2. Reduction under Travelling Allowances, Contingencies, Maintenance of buildings, etc. ...	75,000
3. Reducing contribution to Depreciation Fund from 3 to 2½ per cent	3,00,000
Total ...	4,25,300

Automatic Telephones.

20. The accompanying statement shows the capital expenditure, Gross Receipts and Working Expenses relating to the "Automatic Telephones." I understand there is no Depreciation Fund account separately maintained for this, the same being merged in the General Depreciation Fund of the Electrical Department. The present rate of Depreciation contribution is three per cent and I doubt if this is adequate for the Automatic Telephones. This point has to be examined by the department and a higher rate provided for if necessary so that the

system and the exchange could always be maintained in an efficient condition.

21. It is seen from the statement annexed showing the results of working of the Automatic Telephones that after providing interest on capital the return on Automatic Telephones was about 1·73 per cent in 1943-44 and 6·85 per cent last year. Considering that no provision for taxes has been made and the working expenses do not include over-head charges on account of the supervisory establishment the return cannot be said to be very satisfactory. All possible economies in working expenses should therefore be effected and in addition measures to increase Revenue undertaken immediately. One of such measures would be increasing the existing rates or levying surcharge. The Chief Electrical Engineer is agreeable to the stepping up of the rates to the level of those charged by the Post and Telegraph Department as noted below:— Results of working.

Rates in Mysore	*Rates in Post and Telegraph Department*	*If paid in one lump.*	*If paid monthly.*	
		Rs.	Rs.	
Rs. 180 per annum.	Within 1 mile radius including surcharge of 50%.	252	per annum. 27	Per month.
	Do 2 miles do ...	270	,, 30	,,
	Do 3 ,, do ...	288	,, 34½	,,
	Do 4 ,, do ...	360	,, 39	,,
	Above 4 miles to be worked out in each case on the actual cost.			

This may be accepted and given effect to immediately.

22. In this connection the desirablity of limiting the supply of telephones at Government cost to the minimum absolutely necessary and releasing as many of these as possible to paying subscribers in order to earn more Revenue requires to be stressed. An examination of the Telephone Directory indicates that connections have been given to a large number of Government Officers both to their office tables as well as to their residences. The number of these appears to be capable of curtailment. Except in the case of certain high level posts and important Police and Military Officers in all other cases the desirability of recovering half the cost in respect of official telephones given to the residences of officers may be examined. I would add that if this is done requests for house connections would certainly be less.

23. I would also suggest a separate Internal Telephone system which could be connected to the General System when needed being set up in large offices like Old and New Public Offices and the general telephones now

in use in these offices released to the public. This matter is stated to be engaging the attention of Government.

24. Regarding having a larger number of Public Telephone Booths, the Chief Electrical Engineer states there are no telephone numbers available at present and that it is proposed to instal a large number of Public Telephones in the extensions. He adds that as the telephones in the residences and Government Offices are used by the public more than the Public Telephones, the revenue realised from Public Telephones is very limited. As soon as Public Telephones are made available, it should not be difficult to stop to a large extent, the use of telephones in Government Offices and residences of Government Officials by private persons.

25. There is a proposal to increase the number of telephones in the Bangalore Exchange to 2,000. A sum of Rs. 3 lakhs has been provided for this in the current year's budget and another sum of Rs. 1·50 lakhs provided for Extensions, to building. This may bring in an additional Revenue of Rs. 1·5 lakhs. This has been taken into account in our calculations.

Augmentation of Revenue.

Telephones—	Rs.
(*a*) Additional Revenue by increasing rates ...	3,00,000
(*b*) Extension of Bangalore Exchange ...	1,50,000
Total ...	4,50,000

Statement showing the capital charge, Gross receipts, Working expenses and net receipts relating to Automatic Telephones.

(In thousands of Rupees).

Year	Capital Outlay during the year	Capital to date	Gross Receipts	Working Expenses	Depreciation at 2 percent	Interest at 5 percent	Net Receipts	Percentage of Net Receipts to Capital
To end of 1937—38 ...	...	798·7	...	...	...	...	...	...
1938—39 ...	64·8	863·5	83·6	29·1	21·6	41·6	—9·0	...
1939—40 ...	183·8	1,047·3	104·9	35·3	26·2	47·8	—4·0	...
1940—41 ...	46·9	1,094·2	118·9	31·8	27·4	53·5	6·2	0·56
1941—42 ...	28·6	1,122·8	163·1	40·3	28·1	35·4	39·4	3·50
1942—43 ...	82·4	1,205·1	128·1	37·4	30·1	58·2	2·3	0·19
1943—44 ...	55·1	1,260·2	168·2	43·2	31·5	61·6	21·9	1·73
1944—45 ...	69·6	1,329·7	207·8	39·3	33·2	64·7	70·5	5·30
1945—46 ...	28·0	1,357·6	252·0	59·7	33·9	67·2	91·2	6·71
1946—47 ...	229·8	1,587·4	383·3	67·5	39·7	78·6	202·5	12·75
1948—48 ...	32·3	1,619·7	346·8	106·6	46·6	80·2	11·4	6·87

Statement showing the Capital Outlay on Hydro-Electric Works, the Revenue derived therefrom, the Working Expenses, interest on Capital Outlay and Financial Results to end of 1947-48.

(Rupees in lakhs).

Year	Electrical Works (a)	To end of the year	Gross Receipts	Working expenses	Excess Revenue	Rate per cent of excess Revenue	Interest (b)	Excess Revenue	Rate per cent of excess Revenue
1939—40 ...	571·7	571·7	1,346·7	468·2	878·4	...	...	..	...
1940—41 ...	34·7	606·4	86·4	30·1	56·3	9·58	29·0	27·3	4·65
1941—42 ...	49·1	655·5	96·9	36·1	60·7	10·10	29·7	31·0	5·15
1942—43 ...	59·4	714·9	92·1	32·8	58·3	9·73	30·3	29·1	4·77
1943—44 ...	84·5	799·4	104·7	33 7	71·0	11·19	31·1	39·9	6·29
1944—45 ...	81·8	881·2	93·7	38·6	55·1	8·50	32 1	23·0	3·55
1945—46 ...	114·7	995·9	103·8	39·9	63·4	9·56	32 8	30 7	4·62
1946—47 ...	110·7	1,105·7	118·3	44·0	74·8	10.97	33'5	40 8	6·03
1947—48 (Revised)	184·1	1,290·8	122·9	53·6	69·2	9·09	35·9	33·3	4·37
1948—49 (Budget)	381·5	1,672·3	125·7	62·8	62.9	...	...	...	...

(a) Includes outlay on Jog Falls Hydro-Electric Project.

(b) A rate of 5 per cent has been adopted as per Standing Orders. Interest has been calculated only on the outlay excluding capital expenditure on Jog.

Abstract of Statement of Retrenchments and Augmentation of Revenue in the Electrical Department.

		Rs.
Retrenchments :—		
1.	5 per cent cut on Salaries and Establishment...	50,300
2.	Reduction of grant under T. A. and Contingencies, etc.	75,000
3.	Reducing contribution to depreciation fund from 3 per cent to $2\frac{1}{2}$ per cent ...	3,00,000
	Total ...	4,25,300
Augmentation of Revenue :—		
1.	Increasing the rates of power, etc.	20,00,000
2.	Increasing Telephone Charges ...	3,00,000
3.	Extending Bangalore Exchanges ...	1,50,000
	Total ...	24,50,000
	Net Increase ...	28,75,000

10—Mahatma Gandhi Hydro-Electric Works, Jog.

(Civil Engineering Works.)

Constitution of the circle.

This work was started during the year 1937-38 by the Electrical Department and the Civil Engineering Works were transferred to the control of the Public Works Department for execution during the year 1940-41 when a separate Circle of Superintendence was formed. The system of pre-audit was introduced in respect of this project and a separate Audit Circle with headquarters at Jog was also formed in the year 1941-42. The following are the existing offices working at Jog in this connection :—

1 Office of the Superintending Engineer.

2 Office of the Auditor.

3 Offices of the Executive Engineers of two Divisions—

One at Hirebhasgar.

One at Jog.

2. I inspected these offices with a view to examine the need for continuance of the establishment on the existing scale but held up my report pending replies to my questionnaire from the Chief Engineer when I could send a consolidated report relating to the Public Works Department. But as the reply of the Chief Engineer was not received in time, my recommendations are noted below.

Office of the Executive Engineer, Hirebhasgar Division.

Hirebhasgar Division may be converted into a Sub-Division.

3. This Division was formed at Hirebhasgar for the construction of the Dam and its allied works. All the works, as originally contemplated and sanctioned, have been practically completed and the value of the Works remaining to be completed amounts only to about Rs. 1·19 lakhs.

4. Fresh works to the extent of about Rs. 18·82 lakhs are contemplated, but nothing is yet decided as to when and how many of them are going to be taken up and which of them are really essential. Against this however, the

existing establishment sanctioned when the works were in full swing is still being continued :—

1 Executive Engineer.	5 General Clerks.
2 Assistant Engineers.	1 Typist.
1 Surveyor.	1 Store-keeper.
11 Sub-Overseers.	1 Head Draftsman.
1 Divisional Accountant.	1 Assistant Draftsman.
10 Accounts Clerks.	10 Menials.
1 Head Clerk.	

Since there is at present very little Original work to be done, and what remains relates mainly to maintenance, the establishment—executive and ministerial—employed *is out of all proportion to present needs, in fact there is no justification to continue this Division any longer.* This may be conveniently converted into a Sub-Division with the following establishment and attached to No. III Division, Jog :—

1 Assistant Engineer.
6 Sub-Overseers.
3 Clerks.
2 Accounts Clerks (for the clearance of arrears of work temporarily for a period of 6 months.)

The maintenance of Talaguppa-Hirebhasgar and other roads may be transferred to the charge of Shimoga Division.

(2) *Office of the Executive Engineer, No. III Division, Jog.*

Economies in the staff of Jog Division.

5. All Civil Engineering Works except construction of Dam at Hirebhasgar are being carried out by this Division. The value of works programmed for the current year (1948-49) is about Rs. 32 lakhs while the allotment as per Budget for the entire Civil Engineering Works of the Project is Rs. 27·58 lakhs. The exact volume of work cannot however be gauged by the amounts of the estimates or the Budget Grants, since from the particulars furnished by the Executive Engineers and the Auditor it is found that the rates have been increased from 100% to 300% and in some cases even to 400% compared to the schedule rates of 1941-42. The progress of expenditure on works in this Division is as follows :—

(Rs. in lakhs.)

1944-45	...	...	18·39
1945-46	...	...	25·07
1946-47	...	...	16·08
1947-48	...	...	15·38

From this, it could be seen that there is a reduction in the volume of work in recent years. The first stage of works have nearly come to a close. All the completed works have been transferred to the Electrical Department for maintenance. The establishments of Health, Medical, Education, Police, Ferry, etc., which were formerly under the charge of this Division have now been transferred to the control of the Electrical Department. *The work of the Division has therefore been considerably lightened.* But since the second stage of the Jog Power Scheme has been taken up for execution, they may get sufficient work for a Division. The establishment working in this office, from time to time, is noted below.

Year	Executive Engineer	Assistant Engineers	Executive Establishment	Ministerial	
				General	Accounts
1943—44 ...	1	5	11	9	7
1944—45 ...	1	4	22	12	13
1945—46 ...	1	3	21	12	11
1946—47 ...	1	3	16	11	9
1947—48 ...	1	3	18	12	12
1948—49 ...	1	2	13	12	12

The staff appears excessive for a work concentrated at one place. I therefore consider that a reduction in the Executive Establishment by 4 is possible. Similarly, the strength of the ministerial establishment is also excessive and 6 general clerks and 3 accounts clerks can be retrenched without inconvenience.

Office of the Superintending Engineer.

6. This office was constituted apparently with a view to ensure close supervision and co-ordination of the several items of work and proper scrutiny of plans and designs, and to organise the supply of materials and prompt execution of works in the initial stages and when the work was in full swing. The Dam and the first stage of works have come to a close, estimates and designs for the second stage have been sanctioned. The control of health, education, medical, police and all other miscellaneous establishments have also been transferred to the Electrical Department. Thus there is very little work for the Superintending Engineer either on the administrative or on the executive side. The place may therefore be abolished and this Circle combined with that of the Superintending Engineer, Lakkavalli. The Circle Office

The separate post of Superintending Engineer may be abolished and amalgamated with that of Lakkavalli and the staff considerably reduced.

consists of the undermentioned staff which may also be retrenched as the Superintending Engineer, Lakkavalli Circle, would have similar establishment under him which may be strengthened when and if there is need. To secure continuity one Head Clerk or Clerk and one Draftsman may be transferred to the Lakkavalli Superintending Engineer's Office to assist in dealing with the papers coming from this Division.

1 Surveyor.	7 Clerks.
1 Manager.	1 Attender.
1 Head Clerk.	7 Peons.
1 Head Draftsman.	1 Lasker.
2 Assistant Draftsmen.	1 Watchman.

Audit Office.

Reduction in the Audit Establishment and transfer of its head quarters to Shimoga attaching also the Audit of Lakkavalli Project to this.

7. The progress of work outlay on the Civil Engineering Works and expenditure on Audit Establishment is as follows :—

		Work outlay	*Cost of Audit Establishment*
		(Rupees in Lakhs)	
1941—42	...	35·00	0·14
1942—43	...	43·72	0·26
1943—44	...	44·75	0·30
1944—45	...	38·43	0·38
1945—46	...	36·02	0·37
1946—47	...	26·78	0·32
1947—48 (Revised)	...	25·90	0·40
1948—49 (Budget)	...	27·58	0·49

From the above it could be seen that although there has been a decrease in the volume of work in recent years the cost of Audit is on the increase. It has been explained in the above paragraph that there is no need for a Division at Hirebhasgar and work in No. III Division has considerably diminished. There is therefore no justification to continue the strength of the Audit Office on the existing scale, which at present consists of—

1 Auditor.
1 Assistant Auditor.
1 Superintendent.
20 Accounts Clerks.
1 Typist.
1 Stock-Verifier.
1 Attender.
6 Peons.
1 Watchman.

I think it would be enough if the following establishment is continued, and the remaining staff retrenched :—

1 Assistant Auditor
1 Superintendent
8 Accounts Clerks
1 Typist
1 Attender
3 Peons
1 Watchman.

With the taking up of Lakkavalli project the need for an Audit Office similar to that at Jog would be felt and I would therefore suggest that the Audit Office with the strength as reduced above may be shifted to Shimoga and the Audit of the Lakkavalli project also added to this.

Chief Engineer's Office, Bangalore.

Reduction of establishment for Jog Works in Chief Engineer's Office.

8. The following establishment is working in the Jog Project Section of the Chief Engineer's Office, Bangalore :—

1 Superintendent
1 Head Clerk
2 Clerks
1 Head Draftsman
1 Peon.

Now that the Project portion of the work is complete. I see no justification to have a separate section with a large establishment in the Chief Engineer's Office for this work. One Draftsman and one Senior clerk ought to be more than adequate. The rest of the staff may be disbanded.

9. Statement showing the Savings to be expected.

		Rs.
1	By converting No. I Division, Hirebhasgar into a Sub-Division.	39,972
2	By reducing the establishment of No. III Division.	15,756
3	By the abolition of Superintending Engineer's Office.	27,528
4	By reducing the strength of Audit Office...	23,976
5	By reducing the staff in the Chief Engineer's Office.	3,258
6	Travelling Allowance and Contingencies...	510
	Total ...	1,11,000

XXVII. Iron and Steel Works and Cement Plant.

Measures necessary for improvement of Revenue.

A brief history of the Works and a statement showing the results of working has been furnished under "40. Iron and Steel Works". It will be seen therefrom that even without providing for interest on the Capital, the return is only about 2 per cent. It is expected that the improvements to be made will substantially improve revenue receipts. An additional Capital of about Rs. 3·5 crores is being invested on several development schemes including Electric Pig Iron Furnace and extension of Cement Plant. An additional return of about Rs. 15 lakhs is stated to be anticipated when these are completed. As a measure of abundant caution I have however taken only Rs. 10·50 lakhs and I trust this modest estimate will be realised.

———

XXVIII. Kolar Gold Fields Water Works and XXX Chamaraja Sagara Water Works.— Net Receipts.

Measures for improving Revenue.

The question of improving receipts under these heads by levying higher rates or at least a surcharge on *non-domestic* consumption requires investigation. This will be examined by me separately. The capital at charge, gross receipts and the working expenses since 1938-39 are noted below:—

K.G.F. Water Works—Net Receipts.

In Lakhs of Rupees.

.....	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
Capital at charge.	18·09	18·09	18·09	18·09	18·09	18·09	18·09	18·09	18·09	18·12	18·37
Gross receipts	2·74	2·75	2·76	2·94	2·60	2·37	2·51	2·30	2·09	2·54	2·54
Working expenses.	1·25	1·28	1·20	2·18	1·25	1·33	1·42	1·24	1·35	1·42	1·49
Net Receipts.	1·49	1·47	1·56	0·76	1·35	1·03	1·10	1·06	0.76	1·12	1·05

XXX. Chamarajasagara Water Works—Net Receipts.

In Lakhs of Rupees.

.....	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
Capital at charge.	67·85	67·99	69·72	71·88	78·82	82·76	91·30	101·15	116·84	124·44	126·34
Gross receipts	10·49	7·48	12·07	12·37	10·91	11·31	14·19	11·52	15·90	16·00	16·00
Working expenses.	6 70	7·01	7·11	8·77	8·38	9·73	9·85	10·36	10·93	11·68	12·10
Net receipts...	3·79	·47	4·96	3·60	2·53	1·58	4·34	1·16	4·97	4·32	3·90

XXIX. Industrial Works—Profits.

The net receipts in the several concerns for the last few years are noted below :—

In Lakhs of Rupees.

Minor Heads	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44
1	2	3	4	5	6	7
1. Central Industrial Workshop	...	— ·10	·08	·03	·22	·49
2. Soap Factory	·93	1·09	1·41	2·11	2·40	2·88
3. Porcelain Factory ...	—0·10	— ·22	— ·04	— ·26	1·30	·38
4. Mysore Silk Weaving Factory	— ·11	·02	·35	·16	·51	·64
5. Bangalore Bitumen Plant ...	...	...	...	...	...	...
6. Electric Factory ...	...	...	·26	1·09	1·60	2·84
7. Mysore Bitumen Plant ..	·40	·11	·12	·11	·08	·06
8. Lac and Paint Works ...	·01	...	...	·10	·56	·52
9. Mysore Implement Factory	...	..	·66	·17	·82	·94
10. Mysore Chromate Factory ...	...	...	...	— ·03	·05	.51
11. Arts and Crafts Depot, Bangalore.	...	...	...	...	·08	·09
12. Mining and Refining Kaolin at Bageshpur.	...	...	...	...	...	...
13. Silk Filature at Kankanhalli	...	...	...	...	...	...
14. Bellara Gold Mining ...	...	...	...	...	...	...
Total ...	1·35	·90	2·84	3·48	7·62	9·35

Minor Heads	1944—45	1945—46	1946—47	1947—48	1948—49
.....	8	9	10	11	12
1. Central Industrial Workshop ...	·29	·12	·27	·20	·25
2. Soap Factory ...	2·08	1·09	1·55	2·78	2·50
3. Porcelain Factory	1·25	1·32	1·20	·38	·75
4. Mysore Silk Weaving Factory	1·15	1·59	1·92	1·62	1·60
5. Bangalore Bitumen Plant ...	...	...	·44	...	...
6. Electric Factory	1·79	...	·80	1·00	2·00
7. Mysore Bitumen Plant ...	·20	·29	·11	...	...
8. Lac and Paint Works ...	·07	·21	·20	·11	...
9. Mysore Implement Factory ...	·44	·30	64	·53	·70
10. Mysore Chromate Factory ...	·62	·21	— ·12	— ·13	·10
11. Arts and Crafts Depot, Bangalore.	·12	·11	·04	·04	·03
12. Mining and Refining Kaolin at Bageshpur.	...	·22	·10	·03	·05
13. Silk Filature at Kankanhalli ...	...	1·67	·36	·40	·40
14. Bellara Gold Mining ...	...	...	·17	— ·23	·10
Total ...	8·01	7·13	7·68	6·73	8·48

The profits which were about Rupees one lakh in 1939-40 is placed at Rs. 8·84 lakhs in the current year's Budget. The Soap Factory, the Silk Weaving Factory and the Electric Factory are the ones that are giving maximum return. The profits were highest in 1943-44. There has been a slight falling off since then. I am separately examining these Factories and will submit a report regarding economies possible and increases in revenue that may be possible under these heads. The variations would in any event not, I am afraid be so big as to make any *substantial* changes in the revenue position.

Contributions to Funds.

The contribution to the several funds from General Revenue Account since 1938-39 is noted below :--

In Lakhs of Rupees.

Name of Fund	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44
1	2	3	4	5	6	7
1. Irrigation Development Fund.	...	3·85	20·34	44·99	40·00	50·00
2. Inter-Village Road Fund ...	...	...	4·00	4·00	4·00	6·00
3. Industrial Development Fund.	..	...	2·00	2·00	5·00	12·50
4. Road Fund	...	...	19·40	11·20	15·74	10·00
5. Special Reserve Fund ..	...	...	...	20·00	106·61	244·25
Total ...	...	3·85	45·74	82·19	170·35	322·75

Name of Fund	1944—45	1945—46	1946—47	1947—48	1948—49
—	8	9	10	11	12
1. Irrigation Development Fund.	50·00	35·00	40·00	15·00	15·00
2. Inter-Village Road Fund ...	6·00	6·00	11·00	6·00	3·00
3. Industrial Development Fund.	2·00	2·00	7·00	2·00	2·00
4. Road Fund	25·43	28·37	10·00	9·00	17·00
5. Special Reserve Fund ...	256·02	164·24	91·91	...	...
Total ...	339·45	235·61	160·91	32·00	37·00

During the war years, when there were substantial surpluses and the expenditure had not out-grown the Revenue, substantial additional contributions were made to the several Depreciation Funds and Sinking Fund in addition to the several Reserves for financing post-war Development Schemes. Latterly however, owing to the heavy demands on Revenue, it has not been possible to

continue these contributions and the contribution during the current year has been restricted to the following :—

1.	Road Fund ...	... Rs.	17·00 lakhs.
2.	Irrigation Development Fund	... „	15·00 „
3.	Industrial „	... „	2·00 „
4.	Inter-Village Road Fund	... „	3·00 „

Except the contribution to Road Fund, which has been proposed to be abolished, the contributions to other funds may continue.

It has been proposed to cut down the grant under 24. A Communications by Rs. 23 lakhs and no contribution from Special Reserve is expected in the coming years. The amount debitable to Road Fund will thus be Rs. 35·94 lakhs. To sustain this expenditure even with an addition of Rs. 1·5 lakhs under Petrol Tax the contribution to Road Fund if these adjustments are to be continued would have to be Rs. 12·62 lakhs. The contributions to the other funds may be continued as hitherto-fore.

Industrial Development Fund.

This fund was constituted for finding additional resources for the protection of existing Industries and for the development of new industries. The fund is being built up by contribution from General Revenues and the Excise duty on all steel ingots produced by the Mysore Iron and Steel Works at Rs. 4 per ton.

The receipts and expenditure of the fund since 1940-41 is noted below.

The remuneration to Mr. G. E. Felton in U. S. A. for rendering Technical Advice and Commercial Information is the main item of expenditure under this head, and a sum of Rs. 1·50 lakhs has been provided in the current year's budget for the purpose. It is not clear why such charges in America should be debited to this fund while corresponding charges in England on account of the Trade Commissioner are debited to 17. Miscellaneous. It seems to be more appropriate to distribute these charges to the concerned industrial concerns or Government Departments which derive the benefit of the services of Mr. Felton as in the case of Stores Purchase Committee charges, the charges being accounted for under 17. Miscellaneous. Expenditure relating to industrial investigations, etc., are also debited to this head as per sanction accorded from time to time.

In Lakhs of Rupees.

.....	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
Opening balance ...	...	1·92	5·13	10·02	28·75	25·33	28·90	36·14	37·19
Receipts	2·00	3·31	5·14	19·76	2·07	4·22	8·29	3·05	3·11
Total ...	2·00	5·26	10·27	23·78	26·82	29·55	37·19	39·19	40·30
Expenditure	0·08	·13	·25	·03	·49	·65	1·05	2·0	1·50
Closing balance ...	1·92	5·13	10·02	23·75	25·33	29·90	36·14	37·19	38·80

Expenditure met from Funds.

The following statement shows the Expenditure met from Funds during the year 1938-39.

In Lakhs of Rupees.

Fund Head	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
Irrigation Development Fund.	1·08	8·27	14·96	34·32	26·75	11·07	14·95	21·39	28·40	39·17	40·45
Inter-Village Road Fund.	...	...	0·25	0·74	2·94	2·40	2·75	3·99	7·21	6·00	6·00
Industrial Development Fund.	...	...	0·08	0·13	0·25	0·03	0·49	0·65	1·05	2·00	1·50
Special Reserve Fund.	3·06	...	...	1·08	3·98	4·75	2·00	0·67	10·06	31·14	155·73
Road Fund ...	31·05	42·17	33·64	22·85	37·27	24·54	42·79	40·67	27·04	42·02	43·01
Total ...	35·19	50·44	48·93	59·12	71·19	42·79	62·98	67·37	73·76	128·33	246·69

1. *Irrigation Development Fund.*—According to the existing orders, all expenditure in excess of Rs. 12 lakhs which is debitable to General Revenues is met from this fund. A contribution from General Revenues is also being made during the last several years in order to strengthen this fund. With a view to economise in expenditure it has been suggested in my Note under "23. Irrigation" that the expenditure on Nugu Reservoir now charged to 23. Irrigation be transferred to Capital and reduction in Irrigation expenditure made as noted below keeping the net expenditure under "23. Irrigation" at Rs. 38·95 lakhs. The continuance of the contribution of Rs. 15 lakhs from the General Revenues to the Irrigation Development Fund has also been suggested. If this is done, the expenditure debitable to

be met from the Irrigation Development Fund would be Rs. 26·95 lakhs :—

		In Lakhs of Rupees.
1.	Transfer of provision for Nugu Reservoir to Capital	8·00
2.	Reduction under original works... ...	10·00
3.	Restoration of Minor Tanks	5·00
4.	Repairs	0·50
	Total ...	23·50

2. *Road Fund.*—I have separately suggested the abolition of Road Fund, but if this is not done, the adjustments referred to under contribution to funds—Road Fund would have to be made.

3. *Special Reserve Fund.*—The amount at credit of the Special Reserve Fund on 1st July 1949 according to the Financial Secretary's Memorandum is anticipated to be about Rs. 6·5 crores. But, in view of the very heavy capital programme already undertaken and to be undertaken, it may not be possible to keep any balance against these in liquid securities. As there would be no point in keeping a Fund Account against which there is no corresponding cash or investment, the question of *closing the Special Reserve to Government* must be taken up for consideration. It was at one time intended that this fund should be utilised for meeting the abnormal demands on account of the post-war schemes during the initial stages in order to relieve the heavy drain on the Revenue account. But as the fund itself is suggested to be closed, this question will not arise and this fund could no longer be used for balancing the Budget by suitable withdrawals.

Road Fund.

This fund was constituted in 1926 with a view to ensure an even flow of adequate funds to the Public Works Department for an ordered programme of road maintenance and development. The annexed statement shows the Receipts and Expenditure of the Road Fund for the last ten years. The main items under Receipts are tolls on bridges and roads, motor licence fees and taxes including mileage cess, fees for motor lorries, share of petrol-tax grant from the Government of India and contribution from General Revenues.

2. The receipts from tolls on bridges and roads is decreasing. Why this is so requires examination.

Regarding the share of petrol tax received by this Government I have not been able to get the information regarding the terms of agreement, etc., between the Government of India and the Government of Mysore, forming the basis for apportionment of petrol-tax and as such, I am therefore unable to offer any opinion as to the future course of this revenue. It is not also clear why there should be a fall under this head. I think there should be something wrong somewhere and I am therefore taking for the future an increase of at least Rs. 1·50 lakhs under this head. The other heads call for no remarks except that it is assumed that the State Transport Department will continue to pay all the Cess and the Taxes the Bus-owners were paying as otherwise the Revenues under this head will go down.

3. As the Road Fund is an adjusting account the contribution from Government Revenues is normally so arranged as to leave a small balance after meeting all the expenditure debitable to the fund.

4. The major portion of the expenditure debitable to this Fund is on Communications. The other items of expenditure are administration and compensation to local authorities which together come to roughly about 4 lakhs of rupees. The amount debitable to administration depends on the total outlay which is transferred from 24-A. Communications.

5. The idea in creating this Fund was that by such an arrangement, the grant unspent in a year could be made available for expenditure in the future years and that the Public Works Department may be assured of a definite annual grant, which would enable the Department to draw up a programme of work and carry it out with the certainty of completing it. But this arrangement has not however fulfilled the expectations for the formation of the Fund, as the Fund has no balance and Government contributions are regulated with reference to expenditure on communications. In addition this year a sum of Rs. 20·12 lakhs has also been met from Special Reserves in order to relieve the revenue account which could ill-afford the present charges. These transfers of expenditure from Civil Works to Road Fund are most confusing and no useful purpose appears to be served by creating this fund and making such unnecessary transfer entries in the Budget. Sri Subramanyam, Retired Accountant-General, who examined our finances *has suggested that* this fund be abolished (*vide* extract on page 382). I entirely agree with him.

The fund arrangement has not however fulfilled the expectations formed of it, for, in actual working, no unspent grants were carried over till the close of 1935-36 as the Government grant was virtually regulated each year with reference to the actual expenditure on communications and the amount received from the Government of India towards the share of Petrol-tax which was being credited to the fund directly. Even to meet its normal expenditure, the fund needs substantial grants from the Revenue Account. Between 1938-39 and 1940-41, when a scheme of asphalting of roads on a large scale was embarked upon, the fund had to be fed by large Government grants and advances. Such advances amounted to Rs. 23 lakhs and were subject to repayment in 10 equal annual instalments including interest. The advances were, however, fully cleared by the end of 1942-43 only taking advantage of the large credit balance in the fund account due to savings in the budgeted expenditure to the total extent of nearly Rs. 10 lakhs in 1941-42 and 1942-43. How exactly this change has improved the position on the administrative side is not clear.

So far as the accounts are concerned, the change has had the effect of taking away from the Revenue Account the realisations from tolls and from fees levied for motor transport, etc., and the expenditure on maintenance and development of communications. The fund is treated as though it were a Local Fund and advances are granted to it and recovered with interest. It need hardly be added that the levy of interest on the repayments from the Fund in circumstances detailed above amounts to needless exaggeration of public revenues and expenditure.

I pointed out to Government that the maintenance and development of communications is in fact administered by Government and that the Motor Vehicles and Road Traffic Act also provides that the expenditure is wholly under the control of Government. I suggest that the Fund should be abolished."

6. The abolition of the fund need not affect the continuity of grants to Public Works Department in respect of Road Works since it may definitely be intimated to the Chief Engineer, that they may presume that *normal* grants for Road repairs—ordinary and special—would be given and that in respect of other incomplete works also suitable grants would ordinarily be given and the continuity of works maintained.

7. The grants to be so allotted may be intimated to the Public Works Officers as soon as the Provincial estimates are ready, *i.e.*, well before the commencement of the official year so that the necessary distribution of allotments may be made and the works relating to the

new year arranged to be begun immediately the year starts, and progress evenly spread over the year. As regards special repairs or other special works, the allotment proposed to be made, may be fixed after receiving proposed programme of the Chief Engineer, and the availability of finances, and the Chief Engineer intimated well in time. This will enable the officers to know as to what works they have to attend to in the coming year and prepare their final programme accordingly.

Establishment.

The special establishment debited to this head consists of staff in the Mysore Traffic Board Office, Toll-Gate Establishment and for Motor Licence Fee Collection. This staff has been scattered in a number of offices, and it has not been possible to estimate the minimum reductions that could be effected. The Secretary, Mysore Traffic Board, has stated that on account of all-round increase in work, the present staff is insufficient. As Nationalisation of Road Transport has just been taken up, some augmentation may be necessary. This question has to be examined separately.

If the fund is continued a contribution of Rs. 12·62 to the fund would have to be made, an expenditure of Rs. 35·94 lakhs being charged to the fund as per details below :—

	In Lakhs of Rupees.
Expenditure on 24-A Communications during 1948-49 as per Budget	58·94
Deduct Expenditure charged to Special Reserve 'Roads Rs. 18·12 lakhs Bridges Rs. 2 lakhs ...	20·12
Net amount carried to Road Fund account ...	38·82
Reduction in grants suggested under 24-A Communications	23·00
Net amount suggested for future Budgets to be taken to Road Fund account (without any debit to Special Reserve)	35·94
Grant to Road Fund required from General Revenue if this debit is to be maintained anticipating an increase of Rs. 1·5 lakhs under Petrol-tax	12·62

Statement of Receipts and Expenditure of the Road Fund for the years 1938-39 to 1948-49.

[In lakhs of rupees.

Detailed Heads	1948—49	1947—48	1946—47	1945—46	1944—45	1943—44
1	2	3	4	5	6	7
1. Opening Balance	·50	7·14	—·05	—2·69	—2·10	·48
2. *Receipts*—						
i. Tolls on bridges and roads	1·75	1·75	3·17	2·41	3·41	1·85
ii. Motor Licence fees and taxes.	15·00	15·00	9·16	7·33	4·53	6·85
ii-A. Mileage Cess ...	4·00	4·00	3·49	2·81	2·53	2·54
iii. Licence fees for possession and transport of petrol.	·03	·03	·01	·01	·05	·05
iv. Fees for issue of brake certificates.	·14	·14	12	·09	·08	·08
v. Fees for Steam Road Rollers.	·11	·11	·10	·12	·05	·18
v-A. Fees for Motor Lorries ...	1·50	1·65	1·23	·82	·51	·13
vi. *Contribution from* General Revenues.	17·00	9·00	10·00	28·37	25·43	10·00
vi-A. Advance from General Revenues.	...	.	...	...	...	...
vii. Share of Petrol-tax Grant from Government of India.	3·25	3·25	4·19	...	4·68	...
viii. Grants from Government of India on account of Special Works.	...	...	...	...	...	...
ix. Miscellaneous ...	·50	·50	2·82	1·39	1·01	·88
x. Deduct—Refunds ...	·05	·05	·06	·04	·07	·05
Total Receipts ...	43·23	35·33	34·23	43·31	42·21	22·01
Grand Total ...	43·73	42·52	34·18	40·62	40·11	22·44
3. *Expenditure*—						
i. Administration ...	1·69	1·60	1·74	1 67	1·82	1·20
ii. Compensation to Local Authorities.	2·50	2·50	1·68	2·46	2·10	2·13
iii. Expenditure on Communications.	38·82	37·92	23·67	36·50	38·78	20·65
iii-A. Contribution to District Road Funds.	...	...	...	·04	·09	.56
iv. Equated instalment payable to General Revenue towards the advance for Asphalting Roads.	...	...	...	...	...	...
Total Expenditure ...	43·01	42·02	27·04	40·67	42·80	24·54
Closing Balance ...	0·72	.50	7·14	—·05	—2·69	—2·10

[In Laks of Rupees.

Detailed Heads	1942—43	1941—42	1940—41	1939—40	1938—39
	8	*9*	*10*	*11*	*12*
1. Opening Balance	5·45	...	—4·58	3·09	2·92
2. *Receipts*—					
i. Tolls on bridges and roads	2·17	2·21	2·02	2·15	2·77
ii. Motor Licence fees and taxes.	6·18	8·68	12·11	11·36	10·54
ii-A. Mileage Cess ...	2·67	·39	...	...	...
iii. Licence fees for possession and transport of petrol.	·04	·07	·08	·05	·04
iv. Fees for issue of brake certificates.	·09	·10	·16	·14	·11
v. Fees for Steam Road Rollers.	·11	·12	·06	·06	·05
v-A. Fees for Motor Lorries ...	...	...	...	...	...
vi. Contribution from General Revenues.	15·74	11·20	19·40	4·00	4·00
vi-A. Advance from General Revenues.	...	...	...	13·00	10·00
vii. Share of Petrol-tax Grant from Government of India.	4·54	4·48	4·41	3·83	3·83
viii. Grants from Government of India on account of Special Works.	...	...	...	...	...
ix. Miscellaneous ...	·89	1·30	·20	·10	·07
x. Deduct—Refunds ...	·18	·20	·22	·19	·19
Total Receipts ...	32·25	28·80	38·22	34·50	31·22
Grand Total ...	37·70	28·30	33·64	37 59	34·14
3. *Expenditure*—					
i. Administration ...	1·24	1·20	1·11	1·01	·92
ii. Compensation to Local Authorities.	3·39	2·60	3·99	3·96	2·78
iii. Expenditure on Communications.	14·02	15·98	25·47	36·00	27·35
iii-A. Contribution to District Road Funds.	·76	·41	·31	...	...
iv. Equated instalment payble to General Revenue towards the advance for Asphalting Roads.	17·86	2·76	2·76	1·20	...
Total Expenditure ...	37·27	22·85	33·64	42·17	31·05
Closing Balance ...	·43	—5·45	...	—4·58	3·09

Receipts on Capital Account—Acreage contribution from Viswesvaraya Canal Area.

Sri Krishnarajasagar Irrigation Works.

Revenue, Arrears of water-rate and Contribution.

Heavy arrears under water rate in contribution.

The arrears of water-rate and contribution relating to the Viswesvaraya Canal was very heavy, being Rs. 70·59 lakhs at the end of the year and according to the Revenue Commissioner (Annexure XIV) a very large balance of over half a crore is expected to remain uncollected even by 1952-53. The overdue interest on arrears of contribution was being credited to Krishnarajasagara Capital and not to IX-Interest. There are also big differences between the figures of the Demand, Collection and Balance as furnished by the Deputy Commissioner and the Comptroller. The question of increasing the acreage brought under cultivation, revising the existing water-rate and raising fruits and flower plants and manure trees on channel bunds, etc., so as to realise at least a portion of the cost of maintenance was also taken up with the Chief Engineer.

Difference between the Revenue Commissioner's and Comptroller's figures.

2. The Comptroller since reports that with regard to the difference between the departmental figures and his figures it should be arranged to be traced by the Revenue Commissioner and that his office would furnish any information or statistics required by the Revenue Commissioner. This matter is very important and suitable necessary action should be taken very early. Apparently neither the Revenue Commissioner nor the Chief Engineer appear to be interested in the correctness of the figures relating to the Demand, Collection and Balance and their verification.

Interest on arrears of contribution.

3. With regard to interest on arrears of acreage contribution, the Comptroller states that the practice hitherto is to credit Interest under the head "Receipts on Capital Account—Acreage Contribution from Viswesvaraya Canal Area." Since the money required for the scheme has been met mainly out of borrowed funds the interest on arrears of contribution should be credited to XXV-Krishnarajasagar Irrigation Works Net Receipts or IX-Interest—Interest on arrears of Revenue and *not* to Capital Account.

Verification of figures of acreage under cultivation.

4. Regarding the acreage brought under cultivation the Chief Engineer who had separately been written to regarding non-development of the full area, has forwarded a copy of the letter of the Superintending Engineer who

states that the creation of village reserves is responsible for a reduction of 26,000 acres of the total area under command. This requires to be checked up with the figures of the Revenue department. For obvious reasons it is necessary that the full area should be brought under cultivation as early as possible.

Increase in water-rates.

5. Regarding raising of the water-rate levied in this area, the Superintending Engineer states that proposals had been submitted to Government and that they had been referred to a Committee and that the recommendations of the Committee were awaited. If we should get a proper return on the money spent, it is necessary that early orders are passed in this matter.

Raising of fruit, trees, flowers and manure on channel bunds to earn revenue.

6. Regarding raising fruit, flower, and manure trees on channel bunds, the Superintending Engineer states that this work has been begun but as priority had to be given to more important problems or improving the duty under the Canal, this scheme has not been extended. I think this work is very essential both in the interest of increasing the availability of manure, fruits and fuel by putting up suitable trees as also earn Revenue from the usufruct to cover partly at least maintenance costs of the channel. I understand that in several places the entire maintenance cost of channels is covered by the receipts from fruits and other plants reared on their bunds and I do not see why a similar procedure may not be followed in Mysore also.

Expenditure on channel maintenance to be reduced.

7. The expenditure on maintenance of channels is also very heavy and considerable economies ought to be possible.

CHAPTER VI.

Capital Outlay not met from Revenue.

Introduction.

In this chapter, we shall deal with all expenditure on development schemes of a remunerative character financed generally from borrowed funds, the objective being the rapid increase in the Irrigational and Industrial development of the State, including the development of Railways and Electrical Works, etc.

2. In connection with our post-war development programmes referred to in detail in chapter VIII, plans for an all round development of the State had been drawn up and all these plans have been incorporated and taken into consideration while dealing with the schemes relating to the concerned departments. I need hardly add that the details of the schemes and information regarding estimates, outlay, etc., have been compiled from the data furnished by the several departments concerned.

3. I have not considered in this chapter the economies to be secured while executing these schemes, because that would cover a very large field by itself. It must, however, be added that establishment is such a very small item in the total cost of a major project that very liberal provision is usually included in the project estimates for these as well as travelling allowance and contingent charges and it is as much the responsibility of the sanctioning authority as of the Head of the Department concerned to see that the largest measure of economy in all these items of expenditure is secured while according sanctions. A re-scrutiny of the actual sanctions in each case may also yield useful results.

4. With regard to the taking up of fresh capital works of large magnitude, generally speaking, prices of material and labour are so high that the time is most inopportune for starting on such ventures unless we are sure that the prices of the manufactured articles would continue to be so high that the concern would yield a substantial measure of Revenue including provision for working down the inflated capital out of profits. This has been kept in mind in dealing with the several proposals reviewed in this chapter.

(i) Railway Department.

37. *Railways and Tramways.*

Programme of expenditure.

The General Manager, Mysore State Railway, has sent a statement (enclosed) showing the several schemes under execution and those proposed to be taken up both in the Loco and Engineering Departments. Of the schemes under execution in the Loco Department, items 1 to 12 noted below may be left out of account as they are practically complete or will be completed during the current year except for about Rs. 0·50 lakhs in respect of item 11, Purchase of boilers.

1. Conversion of one MH and 6/M Class boilers into superheaters.
2. Construction of 6 MG additional bogie thirds.
3. Construction of 2 Heavy Breakvans MG.
4. Construction of 2 additional composites II and III MG (during 40-41).
5. Construction of 2 bogie thirds MG.
6. Cost and erection of 50 additional MCJ type wagons.
7. Cost and erection of 7 additional ballast wagons.
8. Purchase of 2 steam cranes of 20 tons lifting capacity.
9. Cost and erection of 6 bogie low-sided wagons.
10. Purchase of 4 bogie carriages and 4 four-wheeled luggage van underframes from Workspore, Amsterdam, Holland.
11. Purchase of one TS and 2 HPS Class Engine boilers and parts, etc.
12. Purchase of additional machinery for Central Workshops.

Statement of fresh works.

2. Out of the other 19 schemes, the following four schemes to which administrative sanction has been accorded, relate to fresh works :—

		Anticipated cost. Rs.
1.	Electrification of Mysore-Bangalore Section ..	3,00,00,000
2.	Improvement of Mysore-Bangalore Section ...	25,00,000
3.	Kadur-Chikmagalur Railway ...	25,00,000
4.	Construction of Yeswanthpur-Nayandahalli Chord Line	10,00,000

Fresh works not to be undertaken unless they could pay at least the interest charges.

3. The Electrification of the Mysore-Bangalore Section which is estimated to cost Rs. 3 crores is also expected to involve another Rs. 25 lakhs for improvement to Bangalore and Mysore Section and the capital required

would thus be Rs. 325 lakhs. The General Manager has not given any estimate of the additional return that could be expected out of this scheme. There are, however, two obvious advantages in taking up this work, *viz.*, (1) savings in coal which, apart from the heavy cost and difficulties of supply, is a commodity to be conserved for other necessary purposes and (2) using Electric Power locally available the consumption of which yields revenue to Government in the Electrical Department. But, as we have no ways and means surpluses, the cost of electrification of these lines would have to be met from borrowed funds and therefore unless the earnings on account of Electrification *pays at least the interest charges* (including savings in coal charges) *on the capital to be invested, the works would have to be postponed* till better times especially as materials are also very costly now and it would therefore be undesirable to undertake large expansion schemes as the war boom is over and we cannot expect any over-capitalisation to be set off by large additional Revenues that could be secured by implementing the schemes.

The Kadur-Chikmagalur line may be taken up if District Board pays part of the capital and guarantees interest.

4. The construction of the Kadur-Chikmagalur line may bring in some receipts but for some time it is doubtful if it will give *adequate returns.* If however a part of the capital cost of this scheme is met by the Kadur District Board and the interest on capital to be invested by Government is guaranteed by that Board and proceeds of the Railway Cess are earmarked for the purpose, this work may be undertaken.

Nayandahalli-Yeswanthpur Chord Line.

5. The construction of Nayandahalli-Yeswanthpur Chord Line is expected to give the much needed relief to Bangalore Station, but unless this scheme yields proportionate additional revenue or reduction in expenditure, we may go slow and defer this project.

Cost of the other sanctioned schemes.

6. The rest of the schemes; *vide* details below (on page 391) will cost Rs. 4·25 crores, out of which about Rs. 2·15 crores is debitable to Depreciation Fund. Of these schemes Rs. 64 lakhs is on account of the cost of new quarters to be constructed and Rs. 23 lakhs for improvements to existing quarters and about Rs. 50 lakhs represents improvements to station-yards, communications, etc., and Rs. 7 lakhs for amenities to passengers and the balance is the capital portion of the replacement of loco, waggons, carriages, etc.

	In lakhs	
	Capital	*Depreciation*
Under Execution—		
Purchase of 27 locomotives on replacement account	21·62	47·67
Purchase of 693 wagons additional and replacement	53·86	38·36
Replacement of 87 coaches	11·50	31·31
Sleepering and ballasting of lines ...	3·50	83·50
Remodelling Yeswanthpur-Arsikere and Bhadravati station yards	6·00	1·00
Remodelling Davangere-Mandya and Chikjajur stations	5·00	1·00
Traffic Train Control	1·50	...
	102·98	202·84
Schemes sanctioned—		
Expansion and Development of Railway Workshops	9·00	3·00
Remodelling of Bangalore City Station ...	4·00	2·00
Improvement of Birur-Shimoga Section ...	2·00	1·00
Improved signalling arrangements ...	2·00	1·00
Improvements to existing quarters of staff	18·85	4·00
Increased amenities to passengers ...	6·00	1·00
Improvement of Communication ...	1·50	...
Construction of new quarters for staff ...	63·50	...
	106·85	12·00
Allotment for 1948-49	209·83 (a)	214·84 (a)
(a) These are the anticipated figures as on 1st July 1948.		
Balance required	159·09	167·84

Method of financing.

7. Regarding the Revenue anticipated consequent on these improvements, the General Manager states that these schemes have been taken up to improve the existing facilities and also to afford amenities to the travelling public and *as such no direct return is expected from these.* The capital required to push through these schemes is about Rs. 159·09 lakhs and another Rs. 167·84 lakhs is debitable to Depreciation and if this huge expenditure is to yield no additional revenue it is obvious that the present time is most inopportune to take these up. As a general rule, unproductive works of a capital nature are always best financed out of Revenue. *They should not be financed out of borrowed funds.* So, any borrowing for executing these works should be definitely ruled out. There is, however, another method of financing these without

recourse to borrowing, provided we are satisfied that these works are essential for the satisfactory running of our Railway. During the war-years when the Railway earned large Revenues, we credited to Depreciation Fund large sums in excess of the prescribed proportion. These could as well have been credited to a special Railway Reserve for capital to be utilised for works like the present which do not bring in additional Revenues, but are nevertheless necessary for the proper working of the system. It is not even now too late to create such a reserve by reversing the entries in Government Account and withdrawing the amounts credited in excess to Depreciation Fund during previous years and crediting the same to a "Special Reserve" for Railways 'Capital'.

History of Railway Depreciation Fund.

8. In this connection, I wish to invite reference to the history of the Railway Depreciation Fund:

Till 1936-37 there was really no Railway Depreciation Fund worth the name since from 1924—25 onwards when the Fund was constituted "the contribution to the Fund each year was fixed with reference to the estimated outlay to be incurred on renewals and replacements." In those days the expenditure was generally behind the budgeted provision with the result that small unexpended balances only would remain in the Fund.

Special contribution in war-years. Transfer of this to a "Special Reserve Fund" for capital.

9. During the years 1941-42 to 1947-48 inclusive, however, special contribution in excess of the normal was made to meet the prospective heavy renewals and replacements during the post-war period. The procedure adopted in the Indian Railways to debit the inflationary element in the cost of works executed, to ordinary Revenue was not adopted here and we, therefore, merely gave additional contributions to Depreciation Fund Account. The balance in the depreciation fund account is, therefore, to a large extent much more than what it should have been. The excess credits made in war-years is about Rs. 1½ crores. This may, therefore, be transferred to the proposed Special Reserve for Railway Capital. As the capital portion of the amount required to complete the several schemes is only Rs. 159·09 lakhs this reserve would practically meet our requirements without recourse to borrowing.

Additional credits to Depreciation Fund for meeting expenditure

10. The works referred to above involve also an outlay of Rs. 214·84 lakhs debitable to Depreciation Fund. The transfer of Rs. 1½ crores to the Special Reserve from the balance at credit of Depreciation Fund will leave about Rs. 50 lakhs at credit of Depreciation Fund. The

present annual contribution to Depreciation Fund is about Rs. 12 lakhs and thus we would have about Rs. 110 lakhs at credit of Depreciation Fund during the next five years against Rs. 167·84 lakhs required for expenditure therefrom. The difference necessary may be made up by special contribution to Depreciation Fund as and when the Revenue accounts admit of it.

11. The additional credits to the Depreciation Fund account referred to above should however not cripple unnecessarily the appropriations to General Revenues now being made from Railways which may perhaps be fixed at a certain level so that fluctuations under Railway Revenue need not affect the General budget.

Basic minimum for credit to General Revenues

12. Prior to the war the average receipts on this account used to be between Rs. 18 and Rs. 25 lakhs. It has been over Rs. 55 lakhs from 1943-44 and in the budget for 1948-49 the revenue provided is Rs. 48·49 lakhs. A *minimum* contribution from Railways to General Account say Rs. 35 lakhs, *i.e.*, 5 per cent on Capital, may be fixed and if any surplus is left over after paying Rs. 35 lakhs to General Revenue this may be divided in the proportion of 50 : 50 between General Revenue and Special Reserve for Railway Capital.

13. In this connection, it may be mentioned that the General Manager's statement that these development schemes will not bring in additional Revenue cannot be accepted in entirety. With the increased engine-power available on account of the replacement of old engines by heavier and more powerful engines and the additional wagons that would be available for coping with the demands for goods traffic and the addition of new coaches, we *should* be able to earn increased Revenue by running more goods and passenger trains, and these should necessarily bring in additional receipts.

Some Railway Extension Schemes not included in the above note.

14. I may add that the above note does not include the following schemes under consideration :—

1. Chamarajanagar-Satyamangalam line.
2. Chitaldrug-Rayadurg line.
3. Rail connection to Coorg. (Recently there appeared in the Press Accounts about a proposal to connect Coorg by rail and surveys were stated to have been undertaken).

15. The method of financing these would doubtless be settled if and when it is decided to take up these works.

———

MYSORE STATE RAILWAY.

STATEMENT SHOWING THE SEVERAL SCHEMES UNDER EXECUTION AND THOSE PROPOSED TO BE TAKEN UP.

(A) Items chargeable to Capital only.

Name of the Scheme	Cost of scheme original or revised	Outlay to end of 1947-48	Balance of Outlay	Balance to be provided for and No. of years in which the work is proposed to be completed with the anticipated annual outlay				Anticipated annual return and from what year the return may be expected
				1948-49	1949-50	1950-51	1951-52	
I. Schemes under execution.	Rs.	Rs.	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	
LOCO DEPARTMENT								
1 Conversion of one M.H. and 6 M. Class boilers into super-heaters.	28,075	9,406	0·21	0·12	0·09	...	...	
2 Construction of 6 M.G. additional bogie thirds.	2,12,660	1,28,686	0·80	0·80	...	...	...	
3 Construction of 2 Heavy Brakevans M.G.	30,038	20,193	0·10	0·10	...	...	...	
4 Construction of 2 additional composites II and III M.G. (during 1940-41).	78,203	22,640	0·60	0·60	...	...	...	
5 Construction of 2 bogie thirds M.G. ...	70,193	10,783	0·60	0·60	...	...	...	
6 Cost and erection of 50 additional M.C.J. type wagons.	3,15,300	4,71,398	0·10	0·10	...	...	...	
7 Cost and erection of 7 additional ballast wagons.	41,000	60,378	0·05	0·05	...	...	...	
8 Purchase of 2 Steam Cranes of 20 tons lifting capacity.	2,02,684	5,483	0·40	0·40	...	...	...	
9 Cost and erection of 6 bogie low-sided wagons.	62,000	1,18,637	0·10	0·10	...	...	...	
10 Purchase of 4 bogie carriage and 4 four-wheeled luggage van under-frames from Workspore, Amsterdam, Holland.	1,07,942	242	1·00	1·00	...	...	...	
11 Purchase of one T.S. and 2 H.P.S. Class Engine boilers and parts, etc.	56,000	9,541	0·56	...	0·56	...	...	
12 Purchase of additional machinery for Central Workshops.	75,000	1,06,755	0·10	0·10	...	...	...	

	ENGINEERING DEPARTMENT.									
13	Traffic Train Control ...	1,50,000	...	1·50	0·50	0·60	0·50	...		
	II Schemes Sanctioned.									
	LOCO DEPARTMENT.									
14	Electrification of Mysore-Bangalore Section.	300,00,000		Scheme under consideration separately.						*
15	Improvement of communications ...	1,50,000	...	1·50	0·50	0·50	0 50	...		
	ENGINEERING DEPARTMENT.									
16	Improvement of Mysore-Bangalore Section.	25,00,000	...	This will be considered after the electrification scheme of Mysore-Bangalore Section is decided upon.						
17	Construction of new quarters for staff ...	63,50,000	...	63·50	5·00	20·00	20·00	18 50		
18	Construction of Yeswanthpur Nayandahalli Chord Line.	10,00,000	...	10·00	...	4·00	3·00	3·00		Detailed estimates yet to be prepared to gauge the return.
19	Construction of Kadur-Chikmagalur Railway.	24,75,000	...	24·75	...	10·00	10 00	4·75		

*Items 1 to 17.—These schemes have been taken up to improve the working facilities and also to afford more amenities to the travelling public. As such, no direct return is expected from these schemes.

(B) Items chargeable partly to Capital and partly to Depreciation Fund.

Name of the scheme	Cost of scheme original or revised		Outlay to end of 1947-48	Balance of outlay	Balance to be provided for and No. of years in which the work is proposed to be completed with the anticipated annual outlay				Anticipated annual return and from what year the return may be expected
					1948-49	1949-50	1950-51	1951-52	
I. SCHEMES UNDER EXECUTION.		Rs.	Rs.		Rupees in lakhs				
Loco Department.									
1. Purchase of 27 Locomotives on replacement account.	C	21,62,400	98,133	20·50	8·50	4·00	4·00	4·00	The Schemes included in this statement have been taken up to improve the working facilities and also to afford more amenities to the travelling public. As such, no direct return is expected.
	DF	47,67,145	7,35,000	40·50	16·50	8·00	8·00	8·00	
2. Purchase of 693 wagons (MG, NG and Fys) additional and on replacement.	C	53,86,336	...	54·00	...	30·00	12·00	12·00	
	DF	38,36,135	...	33·00	...	22·00	8·00	8·00	
3. Replacement of 67 coaches ...	C	11,50,106	1,40,131	10·00	2·50	2·50	2·50	2·50	
	DF	31,31,005	...	31·00	7·50	8·50	7·50	7·50	
Engineering Department.									
4. Sleepering and ballasting of lines ...	C	50,12,000	9,00,000	41·00	13·00	11·00	11·00	6·00	
	DF	37,00,000	...	37·00	13·00	9·00	9·00	6·00	
5. Remodelling of Yaswanthpur, Arsikere and Bhadravati Station Yards.	C	6,00,000	56,000	5·50	1·30	2·60	1·60	...	
	DF	1,00,000	...	1·00	0·20	0·40	0·40	...	
6. Remodelling of Davangere, Mandya and Chickjajur Station Yards.	C	5,00,000	75,000	4·25	1·75	1·75	0·75	...	
	DF	1,00,000	...	1·00	0·50	0·25	0·25	...	
II. SCHEMES SANCTIONED.									
Loco Department.									
7. Expansion and development of Railway Central Workshops.	C	9,00,000	...	9·00	1·50	3·00	2·00	2·50	
	DF	3,00,000	...	3·00	0·50	1·00	1·00	0·50	
Engineering Department.									
8. Remodelling of Bangalore City Station	C	4,00,000	...	4·00	0·50	3·50	Revised scheme worked out, cost about Rs. 35 lakhs.		
	DF	2,00,000	...	2·00	0·50	1·50			
9. Improvement of Birur-Shimoga Town Section.	C	2,00,000	...	2·00	0·60	0·70	0·70	...	
	DF	1,00,000	...	1·00	0·40	0·30	0·30	...	
10. Improved Signalling arrangements ...	C	2,00,000	...	2·00	0·65	0·65	0·70	...	
	DF	1,00,000	...	1·00	0·35	0·35	0·30	...	
11. Improvements to existing quarters for staff.	C	18,85,000	...	18·85	0·85	6·50	5·50	6·00	
	DF	4,00,000	...	4·00	...	1·50	1·50	1·00	
12. Increased amenities to passengers ...	C	6,00,000	...	6·00	0·80	1·60	1·50	1·80	
	DF	1,00,000	...	1·00	0·20	0·40	0·20	0·20	

NOTE.—The proposed allocation of expenditure between 'Capital' and 'Depreciation' is approximate.
'C' denotes CAPITAL and 'DF' denotes DEPRECIATION FUND.

38. KRISHNARAJASAGARA IRRIGATION WORKS.

(*ii*) *Irrigation.*

A statement showing the outlay on this to end of 1938-39 and in subsequent years is annexed. The main works appear to have been completed and it is only petty works here and there and the additional works taken up from time to time that are now provided for. I have not been able to get any statement showing the estimates under execution, outlay to-date and balance required to complete the works and the amounts required for new works under contemplation. Outlay statement.

2. At present a sum of Rs. 10 to 15 lakhs annually is being spent on these capital works but this does not seem to be according to any programme. It is necessary that all the old works should be closed and fresh estimate prepared for the works to be done and a programme drawn up for its execution. There would be no difficulty in finding the amount required for these capital works since there is still a large balance of Rs. 22·19 lakhs under acreage cess (capital) for collection and the annual demand itself is about Rs. 4·3 lakhs. The receipts from this source should be enough to cover the annual capital required. Additional capital required.

3. Regarding the yields Mr. Subramanyam, retired Accountant-General, Government of Madras, who reviewed the State finances of works observed: The yields are disappointing Action necessary to step up the yields.

"The yield under Irrigation works is disappointing and the following are the causes that have contributed to the same:

(1) Increase in the capital cost.

(2) Reduction in the number of acres commanded by the source of supply which again has been reduced (by 28,000 acres) by the creation of two furlongs dry belts around villages to improve health conditions. Further, the demands of contribution and revenue have been of a smaller order than the area brought under Irrigation.

(3) Very low collections of demands that have actually fallen due and accumulation of large arrears (Rs. 29·13 lakhs under acreage contribution and Rs. 24·71 lakhs under Water-rate at the end of 1943-44).

It is learnt that 89,460 acres had been brought under Irrigation to end of June 1944. If water-rate due on the

above acres at least had been collected in full in 1943-44 the yield would have been as follows :—

	Rs.
Gross receipts	8,90,000 (roughly)
Working expenses	4,25,430
Excess revenue	4,64,570
Rate per cent	1·22 % against interest rate of 5%

Thus the work is not likely to pay even the interest on capital for a long time to come. Further losses to the State can, however, be minimised by :—

(1) Effecting economies in working expenses;

(2) Increasing the area under Irrigation under the existing canal and distributaries;

(3) Improving the efficiency of the revenue collecting agency;

(4) Scrutinising future schemes of development involving further capital outlay *strictly with reference to returns*, capital, (acreage contribution) and revenue estimated on data revised according to past experience.

The Department of Public Health is also incurring recently large expenditure (nearly Rs. 0·75 lakhs on health measure in the Irwin Canal area. This has not been taken into account in this connection.

It is necessary that action is immediately taken to improve the yields. Measures regarding this have been discussed in Chapter V.

38. Krishnarajasagara Irrigation Works.

Head of account	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48 (Revised)	1948-49 Budget
Krishnaraja Sagara Irrigation Works—											
1 Dam works	249·98	3·23	2·15	2·06	2·36	3·64	3·40	3·66	2·98	3·47	3·44
2 Irrigation works	206·54	10·84	10·07	7·81	9·86	9·59	12·52	8·78	6·57	11·58	12·08
High price and Dearness Allowances.	...	...	...	...	...	...	...	...	...	...	0·23
Total ...	456 52	13·57	12·22	9·87	12·22	13·23	15·92	12·44	9·55	15·05	15·75

33. K. R. S.—Special Land Acquisition Office, Krishnarajasagara.

(Chargeable to capital account).

There are now *two* officers in the Krishnarajasagara and Irwin Canal area, with overlapping jurisdiction, attending to Land Acquisition and other work:—Special Land Acquisition Officer K.R.S. and Acquisition Officer, Village Shifting Scheme:

(1) Special Land Acquisition Officer, K.R.S. and Irwin Canal Works.—This Officer has two offices, one at Mysore and one at Mandya with the undermentioned establishment. The Mysore Office was revived in 1935 and has been continued from year to year on a temporary basis. The detailed report given by the Special Land Acquisition Officer shows that the work turned out is very poor and does not justify the existence of a large office of this size. The number of cases dealt with are noted below:—

A. Krishnarajasagara Office, Mysore.

3 Clerks, 1 Typist, 1 Mutchi, 1 Duffedar,
2 Peons 1 Surveyor, 1 Peon
2 Clerks (one at K. R. Nagar and one at Krishnarajapet), 1 Clerk in the Deputy Commissioner's Office.

B. Irwin Canal Office, Mandya.

3 Clerks, 1 Attender, 2 Process Servers 1 Peon,
1 Supervisor, 4 Surveyors, 2 Process Servers, 6 Peons.

Year	No. to be dealt with	Number disposed of	Balance
1942-43 ...	217	198	19
1943-44 ...	100	69	31
1944-45 ...	92	78	14
1945-46 ...	135	110	25
1946-47 ...	185	134	51
Up to end of May 1948.	204	181	23
House Acquisition Cases.			
1942-43 ...	154	115	39
1943-44 ...	47	41	6
1944-45 ...	6	6	...
1945-46 ...	...	...	...
1946-47 ...	4	4	...
1947-48 ...	...	...	...
Up to end of May 1948.	63	62	1

The following table shows fresh declaration cases that came up for disposal during the year and those that have remained over.

Items	No. pending at the beginning of the year	No. received during the year	Total	No. disposed of	Balance pending
K. R. S. Submersion ...	8	16	24	4	20
Miscellaneous papers ...	35	13	48	13	35
Mandagere Left Bank Channel.	4	5	9	6	3
House Acquisition ...	1	...	1	...	1
Total ...	48	34	82	23	59*

* Up to end of May 1948.

The Land Acquisition Officer says that the slow progress made in the final disposal of cases is not due to any slackness on the part of the officer, but is almost entirely to the delay on the part of the Compiler, *Mysore Gazette*, in publishing the Declaration Statements. He says, that statements sent in July and August 1947 had not been published even by end of May 1948. In the meanwhile the establishments are not having full time work at all. Some action seems to be necessary to ensure the prompt publication of these Declaration statements.

2. As far as the continuance of this office is concerned, the regular Land Acquisition work left over is not much at all and could easily be attended to by the Sub-Division Officers who have now not got much work as they have been relieved of their Income-tax and Excise duties and the District Development Officers have in addition relieved them of a good bit of Rural Development work. The Land Acquisition Officer says that the work relating to the Nugu Reservoir since added will keep him engaged. But this work is yet to come and it is not made out why a whole-time Special Acquisition Officer for this work should be necessary at all. I therefore, think that it is unnecessary to continue this Office on this account. This office and a good bit of the staff attached to it may be abolished, the work being added on to the Sub-Division Officer, Mysore, with a token staff of 1 Clerk, 1 Surveyor and 1 Typist. The posts of clerks at Krishnarajanagar and Krishnarajapet may also be disbanded. Regarding

the work relating to Nugu, either the Sub-Division Officer, Nanjangud or the Personal Assistant to the Deputy Commissioner, Mysore, may be made the Special Acquisition Officer and a small staff given for attending to the work when the acquisition work really starts.

3. The same officer has another office at Mandya with another large establishment there for Irwin Canal Works acquisition. The officer has himself suggested that this Mandya office may be added on to the other officer already engaged in similar work at Mandya, *viz.*, the Special Land Acquisition Officer, Village Shifting Scheme, Mandya, who has a separate (C.*) establishment of his own there. The Deputy Commissioner, Mandya, also commends this proposal of entrusting on to the Village Shifting Scheme Officer, the work of the Mandya Office of the Special Land Acquisition Officer, K.R.S. and Irwin Canal Works. This proposal may be approved immediately, as this will ensure all the work at Mandya being concentrated under a single Acquisition Officer working under one Deputy Commissioner. While amalgamating the two offices (B) and (C) at Mandya, the staff under the Village Shifting Scheme office may be augmented by 1 Clerk, 1 Process Server and 1 Attender, the rest of the staff being abolished.

C.* 2 Revenue Inspectors, 2 Surveyors, 2 Clerks,
2 Process Servers, 8 Laskers (or Peons),
1 Duffedar.

———

38 'A' Hydro Electric Works.

(*iii*) *Electrical Department.*

Programme of works.

Three statements received from the Chief Electrical Engineer showing :

1. Schemes under execution and outlay to-date ;
2. Schemes sanctioned but not taken up, and
3. New works to be sanctioned and likely to be taken up in the next five years ;

are enclosed. The statements include only works costing more than Rs. 1,00,000.

Cost of schemes and outlay.

2. Excluding the amounts provided in the Budget of the current year the amounts required for these works would be Rs. 12·57 crores as noted below of which Rs. 9·7 crores represent new schemes yet to be sanctioned. Excluding the amount provided during 1948-49, the amount required to complete sanctioned works is Rs. 262·36 Rs. 24·90 *plus* or Rs. 287·26 crores. Nearly Rs. 2 crores out of this is for the further extension of Jog Power Scheme bringing it to 1,20,000 K.V.A. The balance represents construction on new transmission lines, construction of Master Units Sub-station, Remodelling existing lines to increase capacity etc.

It also includes Power Supply to the several places noted below :—

	Sanctioned estimates	Outlay to end of 1947-49	Appropriation for 1948-48	Balance required for completion
	In Lakhs of Rupees			
1. Schemes under execution.	767·11	270·36	234·39	262·36
2: Schemes sanctioded but not taken up.	60·45	...	35·55	24·90
3 Schemes to be sanctioned.	970·00	...	...	970·00
Total ...	1797·56	270·36	269,94	1,257·26

Power supply to.

1. Chennagiri-Nallur ;
2. Lingadahalli ;
3. Mayakonda ;

4. Kudilgere Kalpanahalli;
5. Honnali. Nyamathi and Kumsi;
6. Anandapuram;
7. Sivane. Mikkamavadi and Hanumanahalli;
8. Pavagada.

Electrification of.

9. Hiriyur;
10. Sira:
11. Thyavanage, Santhebennur and Kaknoor.

Rural Electrification Schemes usually does not pay in initial stages.

3. It may be stated in this connection, that a few of these rural electrification schemes do not appear to pay even the interest on capital, at least in the initial stages. As far as possible, it appears necessary, therefore, to require a guaranteed return of at least the interest on capital before these schemes are taken up.

New Schemes and Load Forecast.

4. The new schemes proposed and included in statement 3 are Mekedatu (Rs. 5 crores) Additional Units at Shimshapur and Electrification of Towns and Villages (Rs. 2 crores) Transmission Lines (Rs. 2 crores) and additional step down transformers at Mysore and Bangalore (Rs. 70 lakhs), While no doubt it would be desirable to provide more and more electric power at reasonable rates all over the State, it seems to be desirable to take up these new schemes *only after we have utilised at least 75 per cent of the power generated at Jog since unless the block demands anticipated like that of the Aluminium Factory and Ferro Steel Alloy materialise, a portion of Jog Power itself would be available for development purposes.* The load forecast enclosed given by the Chief Electrical Engineer includes 10,000 H.P. for the Stainless Steel Plant and another 12,000 H.P. for the Aluminium Industry which have yet to materialise. There is a provision for 5,000 H.P. for paper Mills at Hampapur and another 3,000 H.P. to the Auxiliaries to the Aluminium Industry. These have also to take shape yet and till then a large block of Jog power itself may remain idle.

Need for postponement of new schemes till a good portion of the available power is taken up.

5. The reasons for suggesting postponement of the new schemes till we are sure of the demand are (1) the present very high cost of materials and labour and (2) the fact that the required capital would have to be borrowed and unless the power made available from the new schemes are promptly taken up and we could earn therefrom sufficient Revenue after meeting maintenance charges to

cover interest and depreciation charges, they would be an unnecessary charge on General Revenue. Our total power production which was 54,000 H.P. at Shivasamudram and 23,000 H.P. at Shimsha or about 77,000 H.P. in all has been increased *by* 1,20,000 H.P. at Jog making nearly 1,97,000 H.P. available against 77,000 before Jog started. It is only after we are sure that a good portion of this additional power will be taken up that we may take up the new schemes. Development *Schemes for generating additional power may therefore be so regulated that as far as possible, they are only just ahead of demand and will not involve our having to wait for the loads.* When there is demand for the extra power the new schemes contemplated in Statement III may be taken up even from borrowed funds as our investments in Electrical undertakings have always paid more than the interest on the capital employed.

Methods of financing sanctioned schemes.

6. Regarding the method of financing the works on hand, excluding the schemes in Statement III yet to be sanctioned, from the accounts of Credits and Debits to Depreciation Fund (Statement annexed) it is seen that except in 1944-45 where there was a serious accident at Shivasamudram, requiring heavy outlay from Depreciation Funds, the credits to the Depreciation Fund have always exceeded the debits. We have also recently raised the rates for Depreciation from $2\frac{1}{2}$ per cent to 3 percent, but except a few installations at Shivasamudram and the transmission lines, our electric equipment and machinery is comparatively new and it is, therefore unlikely that we would require a major part of the money that we have at credit of the Depreciation Fund in the immediate future. The question of releasing a portion of the funds now held in investments against these funds in preference to borrowing has therefore to be considered. The balance at credit of the Electrical Depreciation Fund on 1st July 1948 is estimated to be Rs. 180·49 crores. The annual credits now is about Rs. 21 lakhs while the average debit is about Rs. 5 to Rs. 10 lakhs and often even less. In view of the small amounts required for financing Depreciation Fund works, the amount of Depreciation Fund to be kept in liquid securities may be reduced to 20 per cent for the next 5 years and the funds thus released utilised for Capital purposes.

ELECTRICAL WORKS.

Account of receipts, payments and balances of Depreciation Fund.

(Rupees in Lakhs).

Year	Opening Balance	Receipts	Total	Payments	Closing Balance
1931—32	63·23	6·50	69·73	3·97	65·76
1932—33	65·76	6·66	72·42	4·32	69·10
1933—34	68·10	6.80	74·90	10·64	64·25
1934—35	64·25	5·42	69·67	8·86	60·81
1935—36	60·81	5 69	66·50	4·22	62·28
1936—37	62·28	7·39	69·67	4 98	64.69
1937—38	64·69	8 55	73·24	1·86	71·37
1938—39	71·37	8·79	80·16	1·79	78·37
1939—40	78·37	10·44	88·81	1·70	87·11
1940—41	87.11	12·10	99·21	1.28	97·96
1941—42	97 96	17·41	115·40	1·28	114·12
1942—43	114·12	12·76	126·87	0·57	126·31
1943—44	126·31	13·36	139·67	1·83	137·83
1944—45	137 83	14·46	152·29	16·57	135·72
1945—46	135·72	14·77	150·49	9·28	141·26
1946—47	141·26	17·23	158·49	3·69	154·80
1947—48 (Revised) ...	154·80	18·90	173·70	4·35	169·35
1948—49 (Budget) ...	169·35	21·00	190·35	9·86	180·49

Statement 'A'—Schemes under Execution—Statement showing the works in progress costing Rs. 1,00,000 and more.

Rupees in lakhs.

Serial No.	Name of Work	Amount of Estimate	Outlay to end of 1947—48	Balance required to complete	The probable annual outlay during the quinquennium				Anticipated annual return	Remarks
					1948—49	1949—50	1950—51	1951—52		
1	Mahatma Gandhi Power Works ...	270·50	213·26	57·24	53·20	4·04	...	...	...	The sanctioned estimate is for Rs. 212 lakhs but on the basis of revised estimate sanctioned by Government for individual items the estimated cost comes up to Rs. 250·50 lakhs.
2	Future extension to Jog Power Scheme at Jog.	260·00	6·37	253·63	75·00	90 00	67·00	21·63	...	.....
3	Construction of II Circuit Transmission Line from Mysore to Bhadravathi.	55·38	40·49	14·89	2·05	12·84	...	...	...	Works almost complete.
4	Power Supply to Channagiri, Nellur. Lingadahalli, etc.	2·25	1·12	1·13	0·87	0·26	...	...	0·13	Return is expected from 1948-49.
5	Construction of Master Unit Sub-Station at Davangere.	1·92 (cap. only.)	0·03	1·89	0·41	1·48	...	...	1·51	Return is expected from 1949-50 (latter part). Total estimate is for Rs. 2·92 lakhs, out of which Rs. 1 lakh is debitable to Depreciation Fund.
6	Do do Shimoga ...	3·41	0·14	3·27	1·40	1·87	...	...	1·13	)
7	Do do Chitaldrug.	2·79	...	2·79	1·29	1·50	...	...	0·96	} Revenue anticipated from latter part of 1949-50.
8	Do do Sagar ...	2·89	...	2·89	1·10	1·79	...	...	0·58	)
9	Construction of Bhadravati and Bangalore 110 K.V. Line including Bangalore-Bhadravathi and.	95·50	4·25	91·25	45·00	46·25	...	...	...	.....
10	Remodelling Bhadravati-Davangere line	1·99	0·07	1·92	1·92	...	...	...	...	.....
11	Running ,Bangalore-Pavagada 33 K.V. line.	11·43	2·00	9·43	7·10	2·33	...	...	...	.....
12	Running Davangere-Tumkur line ...	35·67	...	35·67	30·00	5·67	...	...	...	.....
13	Running Davangere-Ujjini Line for power supply to Ceded Districts.	10·00	0·63	9·37	5·95	3·42	...	...	...	.....
14	Power Supply to Lingadahalli ...	1·65	0·20	1·45	1·00	0·45	...	...	...	.....
15	Installing 5 000 KVA. Bank at F.T.S....	2·34	0·01	2·33	1·84	0·99	...	...	...	.....
16	Installing a Master Unit Sub-Station at Mandya.	2·70	1·11	1·59	1·59	...	...	...	0·63	.....
17	Installing a 1.500 KVA. Master Unit Sub-Station at Chickmagalur.	3·39	...	3·59	3·25	0·34	...	...	0·50	.....
18	Constructing a 4·6 KV.. 3-Ph., 25 Cy. line from Kadasenahalli as far as Kodigenahalli.	1·03	0·68	0·35	0·35	...	...	...	...	.....
19	Installing a 1,500 KVA. Unit Sub-Station Outdoor Structure at Tumkur.	2·07	...	2·07	1·57	0·50	...	...	0·72	Revenue anticipated from 1949-50 onwards.

STATEMENT 'B'.

Statement showing the works sanctioned but not taken up costing Rs. 1,00,000 and above.

[Rupees in lakhs.

Sl. No.	Name of work	Amount of Estimate	Probable annual outlay each year during Quinquennium					Anticipated annual return, if any	Remarks
			1948—49	1949—50	1950—51	1951—52	1952—53		
1	Power supply of Mayakonda	1·00	1·00	...	...	...	...	...	.....
2	Power supply to Challakere, Molakalmuru and a Sub-station at Harihar.	9·45	2·00	7·00	0·45	...	...	0·32	Revenue anticipated from 1950-51 onwards. Work will be taken up this year.
3	Electrification of Kundligere, Kalpanahalli, Arabilachi and Arakere.	1·05	1·04	0·01	...	...	...	...	.....
4	Installing a second 3,00 K.V.A. Unit Sub-station and increasing the conductor capacity at Davangere and Harihar Transmission lines.	6·17	6·17	...	...	...	...	...	.....
5	Power supply to Honnali, Nyamathi and Kumsi.	6·74	6·64	0·10	...	...	...	0·47	Revenue anticipated from 1949-50 onwards.
6	Constructing a 1,500 K.V.A. Master Unit Sub-section at Tiptur.	4·03	3·75	0·28	...	...	...	1·62	Do do
7	Power supply to Anandapuram	2·49	1·49	1·00	...	...	...	0·14	Revenue anticipated from 1951-52 onwards.
8	Running H.T. lines and installing 3,000 K.V.A. Bank at Nanjangud.	5·94	1·00	4·94	...	...	...	...	.....
9	Increasing the capacity of Auto-Exchange at Bangalore to 2,000 lines.	3·19	3·00	0·19	...	...	...	...	.....
10	Power supply to Sivane, Mikkamvadi and Hanumanahalli.	1·85	0·85	1·00	...	...	...	0·13	Revenue anticipated from 1950-51. Work will be completed by 1949-50.
11	Power supply to Madhugiri and Koratagere	4·80	3·75	1·05	...	...	...	0·30	
12	Power supply to Pavagada	1·86	1·86	...	...	...	...	0·09	Revenue anticipated from 1949-50.
13	Electrification of Hiriyur	3·38	3·00	0·38	...	...	...	0·13	Revenue anticipated from 1949-50, work will be taken up this year.
14	Electrification of Sira	3·80	...	2·40	1·40	...	...	0·15	Revenue anticipated from 1950-51.
15	Electrification of Thyavenge, Santhebennur and Kakanoor.	4·70	...	2·00	2·70	...	...	0·19	.....

STATEMENT 'C'.

Statement showing the new works still to be sanctioned and are likely to be taken up within next 5 years costing Rs. 1,00,000 and more.

[Rupees in lakhs

Sl. No.	Name of work	Estimated cost of work	Number of years for which the expenditure may be spread over annuul outlay to be provided for in the case of productive works						Remarks
			1949—50	1950—51	1951—52	1952—53	1953—54	1954—55	
1	2	3	4	5	6	7	8	9	10
1	Transmission Line Works.	200·00	40·00	40·00	40·00	40·00	40·00	...	...
2	Electrification of Towns and Villages.	50·00	10·00	10·00	10·00	10·00	10·00	...	...
3	Mekedatu Scheme ...	500·00	...	50·00	100·00	200·00	100·00	50·00	...
4	Additional Units at Shimshapur.	150·00	...	...	25·00	100·00	25·00	...	...
5	Addition to Step-down Station at Bangalore.	50·00	...	...	15·00	20·00	15·00	...	...
6	Addition to Step-down Station at Mysore.	20·00	10·00	10·00	...	...	...	...	...

38 B—Irrigation Works not met from Revenue.

According to the Budget of the current year, only the works noted below are debited to this head. The estimated cost of the work and outlay to-date are also noted against each. These estimates especially, the Lakkavalli Reservoir were prepared years ago and they would therefore presumably be exceeded very considerably before the work is completed. The work relating to Nugu Reservoir costing Rs. 80 lakhs is however shown in the Budget as debitable to Revenue. Why this is so is not clear. This work has also to be shown under Capital. In addition to the above, the following post-war schemes under Irrigation are also contemplated. Statement of works.

Rupees in lakhs.

	Amount of estimate	*Estimated outlay to end to 1948-49*
Constructing an Anicut across Tunga at Sakrebyle.	140·00	32·86
Constructing an Anicut across Bhadra, (Lakkavalli Reservoir).	890·00	40·16

Rupees in lakhs.

1. Anicut across the Hemavathi near Gorur ... 145·00
2. Kabbini Reservoir near Hullahalli . 150·00

The first of these is expected to bring an area of 45,000 acres under irrigation and the second 14,000 acres.

2. These irrigation schemes are usually unremunerative, and would not pay even the interest on the capital expended. They are nevertheless necessary for the country's economy if the State is to be anywhere near being self-sufficient in respect of foodgrains. Perhaps, if and when agricultural income-tax is levied it is just possible that the agricultural prosperity that follows the construction of these large irrigation works may bring additional Revenue to Government. Irrigation schemes though unremunerative these works are necessary for the country's economy.

3. A sum of Rs. 13·25 crores would be required to complete the above works on the basis of present estimates (*vide* statement annexed) and in the absence of any Special Reserve for financing them, the expenditure would have to be met from the surplus if any in our annual Ways and Means account or from borrowing.

Utilision of Gold mining Revenue capitalisation fund for Irrigation purposes.

4. In this connection, I wish to point out that there is a sum of Rs. 149·11 lakhs in the Gold Mining Revenue Capitalisation Fund. A similar fund was created years ago under the advice of Mr. K. L. Datta, being 60 per cent of the net Revenue from the Gold Mines to make up possible shortages in the Revenue when the Mines ceased to work. But when the financial position deteriorated and the contributions were no longer possible the balance was closed to Government in 1925-26. The fund account was again revived in 1942-43, a portion of the Gold Duty being credited to this Reserve. The contributions made in the several years has been noted below :—

			Rupees in lakhs.
1942—43	...	...	39·11
1943—44	...	...	30·00
1944—45	...	...	30·00
1945—46	...	...	30·00
1946—47	...	...	20·00
1947—48	...	...	Nil
			149·11

Transfer of the Revenue to "Irrigation works capital".

5. I have already stated that these irrigation works are unremunerative and it would, therefore, not be wise to finance them from borrowing, if that could be helped. We have therefore, to see if borrowing in the open market could be avoided some how. The balance of this Mining Revenue Capitalisation fund is kept in easily marketable securities and is meant to assist the Revenue account when this Gold duty ceases. This cannot perhaps be better utilised than increasing permanent assets such as these large irrigation works which would build up the agricultural prosperity of the State, on most secure foundations and would also increase the prosperity of the raiyat. My suggestion is, therefore, to transfer the amount at credit of the Gold Mines Revenue Capitalisation Fund to a Reserve for Irrigation Works capital. But the balance at credit of the fund *viz.*, Rs. 1½ crores is nowhere near the capital required to complete these works. If at least Rs. 75 lakhs is spent annually on these works, this balance will not last two years. I would, therefore suggest crediting to this Fund, in addition, annually 50 per cent of the Gold Duty realised taking only the other 50 per cent for Revenue purposes so that these irrigation schemes may as far as possible be financed without borrowing. Of course, when the Revenue from Gold Duty gets less and

less we cannot look to this source for financing this expenditure and should the Ways and Means account also prove inadequate we should have to have recourse to borrowing.

Desirability of borrowing the amounts required from the International Monetary Fund.

6. It is understood however that the Government of India propose to borrow from the International Monetary Fund to finance large irrigation schemes. If so, we may also borrow the amount required for these schemes from the Government of India *i.e.*, at reasonably low rates agreeing to discharge the loan in 60 years. This may, however, require an annual contribution to a Sinking Fund and provision for interest charges to be met from the Revenue account but that would be inevitable.

7. The interest from the Famine Insurance Reserve may also be credited to the Reserve suggested above.

Statement of works.

(Rs. in lakhs)

Name of Schemes	Cost of schemes	Outlay to end of 1947-48	Grant for 1948-49	Balance amount required to complete the works	Remarks
1 Constructing an Anicut across the River Tunga near Sakrebyle.	140·00	17·57	16·50	105·93	...
2 Constructing a Reservoir at Lakkavally.	890·00	4·84	29·75	855·41	...
3 Constructing an Anicut across Nugu.	81·00	3·97	8·00	69·03	...
4 Constructing an Anicut across Hemavathi near Gorur.	145·00	...	...	145·00	...
5 Constructing a Reservoir across Kabini near Hullahally.	150·00	...	...	150·00	...
Total ...	1,406·00	26·32	54·25	1,325·37	...

39. Capital Works.—*Industrial and other works.*

The statement below shows the capital outlay to-date in respect of the several works and the allotments for the current year. It also shows the schemes under execution and those that are proposed or contemplated in the several concerns. I am afraid that the information furnished by the concerned Heads of Departments is very incomplete. According to the statement, however incomplete, a sum of Rs. 61·54 lakhs will be required to complete the works under execution or intended to be taken up in the coming years. The amounts involved being small, no particular proposals regarding the method of financing these are suggested. The receipts of the several concerns show that during the last few years there has been a noticeable downward tendency. This should be checked, and it is also necessary to see that any additional capital invested earns at least the depreciation charges involved and the interest on the investment. These industrial concerns are being separately examined by me and a more detailed report will then be submitted.

Schemes under execution. (In Lakhs).

Name of Concern	Name of Scheme	Cost of Scheme	Outlay to 30th June 1948	Balance to be Provided	Anticipated Annual returns	Profit	Percentage of profits after allowing 6% interest	Remarks
Government Dichromate Factory.	Installation of machinery to manufacture chrome pigment, etc.	2·00	1·60	·40	0·30	...	...	Monthly production of 25 tons.
Government Electric Factory ...	(1) Pilot Rotary Scheme for the manufacture of Electric Motor.	1·80	·55	·75	Not specified.	...	...	Return expected from 1949-50
	(2) Manufacture of Electric Rotary.	4·55	·03	4·52	Do	...	...	Just commenced.
	(3) Modernisation of Bake-lite Moulding Section.	4·55	·15	4·40	Do	...	...	Do
	(4) Teneplas Extrusion Moulding Plant.	9·21	4·60	4·61	Do	...	...	Advance of Rs. 40,60,500 has been paid. Plant under despatch. Expected to produce 25% of capital in 1949-50. Profit 1 lakh rupees.
Sandal Oil Factory ...	(1) Construction of staff quarters at Mysore.	1·22	·13	1·09	No return	...	...	For betterment of staff.
	(2) Construction of staff quarters at Shimoga.	·52	·31	·21	Do	...	...	Do do
	Total ...	23·35	7·37	15·98	...	...	...	

Sanctioned works contemplated to be taken up.

(In Lakhs)

ame of Concern	Name of Schemes	Cost of Schemes.	Amount required	Estimated Annual return	Profit	Percentage of profit after allowing 5 per cent interest	Remarks
Government Electric Factory.	(1) Scheme for manufacturing Electric Rotary Machines (Sanctioned by Government.)	1·65	1·65	...	...	...	Machinery expected in 1949 and return expected in 1949-50.
	(2) Scheme for expansion of Transformer Tank Making Department.	·90	·91	3·00	...	...	Expected profit is about Rs. 3 lakhs, proposals for further development is before Government.
Mysore Implement Factory.	Mechanisation of the Factory ...	10·50	10·50	...	...	...	Orders of Government awaited.
Mysore Dichromate Factory.	Errection of plant for manufacturing zinc oxide red lead, etc.	...	...	...	...	...	Schemes under contemplation and no details of estimate has been furnished.
Mysore Silk Weaving Factory.	Addition of 70 more looms ...	...	...	...	...	...	Do do
Government Porcelain Factory.	(1) Installation of routine testing equipment.	1·50	1·50	...	...	...	The work will be taken up in 1948-49 and complete in 1949-50 and will be able to meet at India demand insulators. One year's work. Local Gypsum has been sent to Messrs. Binny Smith and Co., U. S. A. for testing.
	(2) Manufacture of plaster of Paris ...	1·00	1·00	...	...	...	
Government Soap Factory.	Expansion of Factory	20·00	20·00	...	...	...	To be spread over 5 years. Of which Rs. 3 lakhs is for non-recurring, Rs. 7 lakhs for recurring.
Central Industrial Workshop.	Shifting of Central Industrial Workshop to Mysore Road near Electric Factory.	10·00	10·00	...	...	...	*1948-49* 0·50 *1949-50* 3·00 *1950-51* 1·96 *1951-52* 1·54

Nationalisation of Bus Services.

Government started the nationalisation of Bus Services since October 1948 and a sum of Rs. 35 lakhs has been provided under " 39 Industrial Works Capital " for this purpose. From a statement received from the General Manager in this matter, it is anticipated that a sum of Rs. 21·20 lakhs is expected to be spent this year and about Rs. 20 lakhs be required each year for the next four years. These amounts may be met from the surpluses in the Ways and Means account and no borrowing for this purpose may be necessary.

2. It may however, be mentioned that on account of the heavy prices paid, as these buses deteriorate rapidly and as a measure of abundant caution, a larger Depreciation than is usually allowed may be provided for in these cases before profits are appropriated. I would suggest a 25 per cent Depreciation so that from the fifth year onwards the amounts at credit of Depreciation Fund may be utilised for purchase of new buses and renewal of old ones.

3. It is very easy in a concern like this to multiply establishment. This should be avoided. I have given separately a note regarding establishment for this concern.

———

18716
27/7/90

40. Iron and Steel Works.

Introductory.

The operations of the Mysore Iron works were started in 1923 and were resulting in losses continuously due to fall in prices of pig iron and pipes and the unexpected but substantial fall in the prices of the bye-products. With a view, therefore, to improve the financial prospects of the Concern a steel plant with rolling mill was installed in 1936. Since then, the Concern which was sustaining losses has shown an appreciable improvement. The plant for the manufacture of cement was added in 1938, because of the advantages of the place in the matter of raw materials as well as other facilities. During the war period, the receipts from the Iron and Steel Works substantially improved and the profits earned were first ear-marked towards repayment of the arrears towards Depreciation and when this was completed the profits are being credited to the Revenue account. A statement showing the financial results of the working of this Concern is enclosed. Latterly, however, the net receipts are going down, only Rs. 7·00 lakhs being anticipated in the current year's budget..

Development Schemes in the Bhadravati group.

2. Our postwar schemes in the Bhadravati group of Industries contemplate large expansions and the accompanying two statements give the schemes under execution and those sanctioned or under contemplation (as furnished by the Works).

3. There is a big scheme for manufacture of fertilisers also under contemplation but this is not included in the above list presumably because it is not yet finalised. It is understood that the capital cost of this scheme is over Rs. 2 crores.

4. The schemes *excluding* the one relating to fertilisers would involve a further expenditure of about Rs. 166·77 lakhs as noted below. These include items debitable to Depreciation Fund as detailed in the accompanying statements. A return of Rs. 15 lakhs or 7per cent on capital is expected to be obtained from the above. But past experience warns us to be cautious in expecting these returns until the schemes are actually under operation and really begin to earn the anticipated profits. Should, however, the present scarcity conditions continue, good returns may certainly be anticipated. In a competitive market, however, conditions would be difficult and the greatest economy and efficiency would be necessary

if we are to avoid losses. This point has to be remembered while undertaking all new or expansion schemes in this group especially if the schemes are to be financed from borrowing.

	Rupees in lakhs.
Cost of schemes under execution ...	306·49
Do sanctioned ...	47·95
Total ...	354·44
Deduct estimated outlay to end of 1948-49 ...	187·67
Balance required ...	166·77

Iron Works Depreciation Fund.

5. In this connection, it may be pointed out that prior to the war it had not been possible to make any contributions to the Depreciation Fund and it was only during the war-years that the entire arrears of Depreciation Fund contribution was made up and it is expected that there would be a balance of Rs. 201·13 lakhs at credit of Depreciation Fund on 1st July 1949. The annual contribution to Depreciation Fund is Rs. 11·75 lakhs and the annual expenditure debitable to Depreciation has invariably been for less than the credits to the Depreciation Fund. The question of releasing the investments held against the Depreciation Fund for utilisation for further 'Capital Works' in preference to borrowing deserves therefore serious consideration. If these works could be financed in this manner without fresh borrowing, then even if they do not earn additional Revenue for some time it would not matter. I would, therefore, suggest that the amount to be kept in liquid Reserve in respect of Depreciation Fund may be reduced to 20 per cent and the Securities in investment account re-allotted and the Fund thus released availed of to finance these capital works without fresh borrowing.

Statement showing the Financial Results of the working of the Mysore Iron and Steel Works.

(Rs. in lakhs.)

Year	Working and Fixed capital in commencement of year	Capital involved in the year	5% capital added during the year	Total capital	Net profit or loss of the year	Depreciation for the year	Net results after deducting	Percentage of net results to capital
1	2	3	4	5	6	7	8	9
1938—39 ...	167·08 W.A. 31·39	1·93	0·96	199·43	90·12	12·46	3·34	1·19 per cent
1939—40 ...	161·01 31·25	0·49	0·25	200·51	24·13	12·48	11·65	5.8 do
1940—41 ...	169·50 32·20	1·37	0·68	202·38	31·20	12·59	18·61	9·1 do
1941—42 ...	170·87 35·56	12·90	6·45	213·28	19·30	12·59	6·71	3·1 do
1942—43 ...	183·71 34·89	9·36	4·68	223·34	27·17	13·27	13·90	6·2 do
1943—44 ...	193·13 34·20	11·33	5·66	232·99	21·91	13·33	8·59	3·6 do
1944—45 ...	204·46 32·77	4·40	2·20	239·43	27·84	13·84	14·00	5·8 do
1945—46 ...	208·86 33·94	2·36	1·18	243·98	38·04	13·84	24·20	9·9 do
1946—47 ...	211·22 33·53	13·64	6·82	251·57	24·49	14·22	10·27	4·0 do
1947—48 ...	224·86	19·66	9·83	273·84	25·56	14·51	11·05	4·3 do

Statement showing the Schemes under execution.

(Rs. in lakhs)

Name of the scheme	Cost of the scheme	Outlay to end of 30th June 1948 provisional	Balance to be provided for and No. of years in which the work is proposed to be completed with the anticipated outlay			Anticipated annual return and from what year the return may be expected
1	2	3	4	5	6	7
		Rs.	1948-49	1949-50	1950-51	
1 Electric Pig Iron Furnace	129·00	4·18	38·75	28·07	14·00	5·95 from 1951—52.
2 Improvements to Mines and Tramways	44·00	1·50	30·00	11·00	1·50	Auxiliary departments.
3 Do Shop, Foundry, Yard etc. ...	26·25	1·84	4·00	12 42	8·00	
4 Ferro-silicon Plant	18·20	4·80	11 00	2·40	...	1·80 from 1950—51.*
5 Acetic Acid Plant	13 60	4·42	9·00	0·20	...	1·60 do
6 Extension of Cement Plant	55·50	6·47	37·00	12·03	..	5·38 do
7 Construction of Umblebyle Tramway	5·50	2·27	1·15	2·08	...	
8 Do 2nd Machine Shop and Steel Foundry ...	3.00	2·21	0·50	0·29	...	
9 Do 2nd Structural Shop and General Foundry	1,55	0·49	1·10	...	...	Service departments.
10 Do Labour and Staff quarters ...	6·39	1·99	6·00	...	...	
11 Remodelling of 3300 volts 50 cycles power distribution ...	1·00	0·19	0·75	0·06	...	
12 Re-railing of Bhadravati-Kemmangundi Railway ...	2·50	0·72	1·15	0·63	...	

*The anticipated annual return will be Rs. 1·20 lakhs when the production is increased to 600 tons.

Statement showing the Schemes sanctioned or under contemplation.

(Rupees in lakhs)

Name of the scheme	Cost of the scheme	No. of years over which the expenditure is to be spread and estimated annual outlay			Anticipated annual return and from what year the return may be expected	
1	2	3	4	5	6	7
		1948-49	1949-50	1950-51	1951-52	
1 Billet and Light Structural Mills	25·00	6·00	5·00	10·00	...	About 6%
2 Tool Steel plant including New High Frequency Furnace.	15·00	6·00	5·00	10·00	...	Do
3 Purchase of 7½ Tons overhead crane and Buick press for Brick Plant.	0·85	0·75	0·10	...	...	...
4 Tramway boiler replacements	0·85	0·85				
5 Purchase of 2 M.G. Locomotives	2·50	2·50	...	Auxiliary equipment.	...	...
6 Purchase of Locomotive crane for open Hearth ...	1·25	1·25				
7 Calcium Carbide Plant	2·50		...	2·50	...	About 5%

CHAPTER VII.

WAYS AND MEANS.

Statement of capital works under execution or contemplation.

In the previous Chapter, the programmes of development in the several departments the expenditure in respect of which was debitable to capital was examined in detail. The abstract noted below furnishes a statement of the capital expenditure relating to each department, the outlay to end of 1948-49 and the balance required to complete the works and the amounts at credit of the Depreciation Funds.

(In lakhs of Rupees).

Head of account	Total Cost of Schemes under execution or under contemplation	Outlay to end of 30th June 1948.	Provision for 1948-49	Balance amount required	Balance required under		Amount at credit of Depreciation Fund as on 1st July 1949 (Budget)	Remarks
					Capital	Depreciation		
37. Railways and Tramways.	424·67 360·00(*a*)	20·04 ...	77·70 ...	326 93 360·00	159·09 360·00	167·84 ...	200·27	(*b*)
38 K.R.S. Irrigation Works.	(Existing	Figures not available. expenditure is between Rs.				10 to 15	lakhs.	(*c*)
A. Hydro-Electric Works.	827·56 970·00(*d*)	270·86	269·94	287·26	...	...	180·49	(*e*)
B. Irrigation Works not charged to Revenue.	1406·00	26·38	31·25	1325·37	...	...	...	(*f*)
39. Industrial and Other Works.	68·91	7·37	8·00	53·54	53·54	...	28·57	(*g*)
40. Iron and Steel Works.	354·44	31·07	156·60	166·77	166·77	...	201·13	(*h*)
	3081·58 +3·60 Rly. Dept. unsanctioned. +9·70 Elec. Dept. unsanctioned.	355·22	566·49	2159·87 +3·60 Rly. Dept. +9·70 Elec. Dept.	...	...	610 46	

(*a*) Capital outlay required for fresh works such as Electrification of Railways etc.

(*b*) Excluding the capital required for fresh works a sum of Rs. 1·59 crores would be required for the other works. To meet this Rs. 1·5 crores representing the additional contribution to Depreciation Fund during war years may be retransferred to a Railway Capital Account Reserve Fund and utilised. The expenditure debitable to Depreciation may be met from the Balance remaining in the fund with the annual contribution of Rs. 12 lakhs together with such additional contributions as may be required from time to time per annum.

(*c*) The recoveries from Acreage contribution (capital), Irwin Canal, may be earmarked for this purpose.

(*d*) Relating to new schemes yet to be sanctioned.

(*e*) Omitting Rs. 970 lakhs relating to schemes yet to be sanctioned, the amount required for other works is Rs. 287·86 lakhs. A large part of the expenditure debitable to capital may be met by reducing the percentage of Depreciation Fund to be kept in easily marketable securities to 20 per cent. The balance if any would have to be met from the Ways and Means account.
The fresh works may be taken up when there is demand for additional power the funds required being borrowed as Electric Works have always paid more than the interest on the capital employed.

(*f*) This expenditure is necessary in the larger interests of the country. After utilising the balance at credit of the Gold Mining Capitalisation Fund

[*Continued to Page No. 421.*]

Method of financing these works.

The question of financing the capital works now undertaken or immediately to be undertaken has been examined also while scrutinising the requirements of each of the above and it was seen that except in the case of the Irrigation Works where even after utilising the entire Gold Mining Revenue Capitalisation Fund, a very large balance would still be required and that borrowing may have to be resorted to. In the case of the other schemes under execution borrowing to complete them may be avoided by carefully husbanding our resources and reducing the Reserve to be maintained against Depreciation Fund from 50 per cent to 20 per cent. Past experience shows that the withdrawals from Depreciation Fund have been very small and it is therefore unnecessary to retain large balances as to present against these in easily marketable securities especially when we are badly in need of funds for getting through capital schemes in progress. The creation of a Special Reserve for Railway Capital by withdrawing the special contribution of Rs. 1·5 crores given to Depreciation Fund during the war has also been suggested and this with additional credits to Depreciation Funds, if necessary, in the coming years, would take care of all our requirements in respect of Railway Capital and Depreciation Works. The net additions to our Resources from the Ways and Means account would also, it is anticipated, assist in financing of these programmes.

2. The main items of net receipts in the Ways and Means account are on account of the Insurance and Provident Funds and Savings Bank current and fixed deposits and Saving Certificates. Recently as an anti-inflation measure the rates for Savings Bank Fixed Deposit has been increased and this is expected to bring in large deposits and arrest withdrawals. With a regular drive to this end as suggested below, we may perhaps anticipate a net income of Rs. 80 lakhs to a crore of rupees each year in the next five years from these sources. It would be useful also to have Ten-year Savings Certificates in addition to the existing five-year one as a longer term certificate eases our resource operations.

3. Our immediate commitments in respect of the schemes referred to in para 1 above is Rs. 8·35 crores

---

the balance may be found from borrowing preferably from the International Monetary Fund at advantageous rates.

(*g*) The statement appears to be incomplete. The Capital required may be met from the Ways and Means account.

(*h*) The amount required for capital may be met by reducing the amount of Depreciation Fund to be kept in easily marketable securities to 20 per cent.

excluding irrigation and as already explained above, we may be able to meet these commitments at least for the next two or three years without further borrowing and practically complete most of these schemes with the available cash and investment balances assisted by our Ways and Means resources.

4. I have also suggested that to complete the Irrigation Schemes, we may try and borrow the necessary funds from the International Monetary Fund on a long term basis. Similarly, we may borrow for the fresh development programmes of the Electrical Department and for Electrification of Railways when the need arises from the same source if the conditions are favourable.

5. I must in this connection observe, that taking into consideration our heavy capital commitments and the several schemes we have taken up or propose to take up, our cash position cannot be considered too satisfactory and *it undoubtedly requires very delicate handling.* Any addition to the existing capital commitments would definitely entail borrowing and it may be reiterated that while it is not bad finance to borrow for productive capital schemes if the schemes do not come up to anticipation and give the anticipated returns, the losses would have to be met from the Revenue Account which is none too good and is itself going to give anxious days to our administrators. Any over-optimism or miscalculation in taking up capital schemes which prove unproductive will throw our finances out of gear.

6. According to the Financial Secretary's Memorandum for 1948-49 the cash and investment position is anticipated to be as under (*Vide* Assets and Liabilities Statement Appendix VI).

(In lakhs of Rupees.)

Heads	On 1st July 1947 based on actuals of 1946-47	On 1st July 1947 based on Revised estimates for 1947-48	On 1st July 1949 based on Budget Estimates for 1948-49
ASSETS			
(i) *Cash and Investments*—			
1. Cash balance ...	279·67	2 3·20	141·37
2. Treasury Bills of temporary Deposits in Banks.	334·66	189 67	164·67
Total ...	614·33	412·87	306·04
(ii) Investment Accout—			
General Investment account ...	2,056·16	1,698·59	903·09
Loan Sinking Fund Investment account,	327 88	356·19	385·68
Famine Insurance Fund Investment account.	53·82	55·57	52·39
Depreciation Fund Investment account.	295·14	322·30	325 21
Total ...	2,733·00	2,432·65	1,666·37

(NOTE.—Actually cash and F.D.R. on 1st July 1948 was Rs. 624·69 lakhs, but the investment position was worse being Rs. 2,877·64 lakhs against Rs. 2,432·65 lakhs due mainly to some improvement in the Revenue position and lapses under capital. Much of this "postponed expenditure" would it is assumed, be spent during the current year.)

7. If these Securities are invested amongst the different funds in the proportions prescribed (*Vide* Page 55 of Financial Secretary's Memorandum for 1948-49) it will be seen that the surplus cash and investment after keeping Rs. 2 crores as minimum balance for Treasuries and Resource purposes would be only Rs. 2·56 crores against Rs. 8·35 crores, we require to complete our capital schemes. If the percentage for Depreciation Fund is reduced to 20 per cent, we would then have Rs. 4·79 crores. Even this is extremely inadequate but as already stated we may just pull through without borrowing if our resources are carefully exploited by making maximum use of our ways and means surplus and our capital programme is also suitably adjusted.

8. I understand however that the cash and investment position has further deteriorated due to a fresh advance of over two crores of rupees given this year to the Food Department (a good bit of this will be irrecoverable as this will be adjusted towards subsidy) and additional investments made in the Hindustan Aircraft Ltd.,

Airmec Ltd., and Loans given to some Industrial Concerns. When we ourselves are not over plentiful with cash, great care would have to be exercised in making loans or investments that may result in compelling us to borrow for capital programmes. If encouragement to Private Industrial enterprise is necessary a better method would be by guaranteeing the loans where the cover is good, the guaranteeing commission being taken over by Government. Such a procedure does not affect our Ways and Means programme. We may also consider the flotation of an "Industrial Finance Corporation" on a Joint-stock Company basis with Government taking 49 or 51 per cent of the shares as the case may be. The advances to the Food Department and the actual advance outstanding at any time should also be reduced to the barest minimum.

9. Regarding new schemes under contemplation such as (1) the Fertiliser Factory, (2) Rayon Factory, (3) Aluminium Factory, etc., it may be definitely stated *that these cannot be undertaken with our existing resources* and further borrowing would be necessary. Before however, we decide to take up these works from borrowed funds, we must always see that the undertaking of these "productive works" *however promising or necessary* in themselves from *borrowed funds would not cripple the resources available for the growing needs of the administration* by their becoming 'unremunerative'.

10. In order however not to deprive the country of possible industrial progress wherever such schemes could be undertaken by private enterprise exclusively or private enterprise aided by Government, it would be prudent to give active encouragement to such agencies. The Mysore Government has been a pioneer in sponsoring industries on these lines and without going into the question of the relative merits of nationalisation of industries *vis-a-vis* private enterprise, at a time like the present when we are full up with our own expansion schemes and we are ourselves short of qualified personnel and have no resources except by borrowing to undertake fresh schemes, we must actively encourage private enterprise, Government taking such suitable shares and part in the management of the industry as would be necessary in each case.

11. In this connection, I wish to enter a note of warning that Industrial profits are generally on the decline and Government concerns are no exception. I wish particularly to invite attention to the statement enclosed showing the position in respect of productive works during

the last few years. It will be seen therefrom that the surpluses from our development schemes which were as high as Rs. 1·36 crores three years ago are latterly going down. *This statement also is in a sense not quite accurate,* in that while the Public Debt has increased from Rs. 843·29 lakhs in 1938-39 to Rs. 1,621·13 lakhs in 1948-49, *i.e.*, nearly doubled, the contribution to the Sinking Fund has remained the same. The idea in preparing this statement was to take receipts from these productive works and the interest we receive and set this off against the Interest we pay and the Sinking Fund payments to discharge the debts borrowed. If an adequate contribution to the Sinking Fund were to be made so as to pay off the debts as they fall due, the Sinking Fund contributions would have to be about Rs. 80 lakhs and the surplus which is now Rs. 87·46 would then get further reduced to Rs. 26·24 in 1948-49 and with business profits going down, they may become negligible, unless therefore our industrial enterprise are revivified and made to yield more than at present. Great caution is necessary in launching on new enterprises especially if the entire enterprise is to be Government-owned and Government-managed.

Statement of Incomings and Outgoings under Funds.

(Rupees in lakhs).

Details	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44
1	2	3	4	5	6	7
Receipts ...	53·13	56·05	64·42	76·02	64·83	94·93
Insurance Funds *Payments* and Provident Fund.	41·04	34·99	26·86	44·56	41·46	36·38
Savings Bank Deposits Receipts...	126·44	126·75	167·22	151·31	195·74	223·85
Payments ...	118·24	125·84	89·77	166 54	110·00	159·75
Endowment and other Receipt Accounts.	3·07	4·76	8·82	2·59	7·77	10·68
Payments ...	·34	·29	·18	·20	·09	·08
Total Receipts ...	182·64	187·56	240·46	229·92	268·34	329·46
Total Payments ...	159·62	161·12	126·81	211·30	151·55	196·21
+ ...	23·02	26·44	13 65	18·62	116·79	133·25
− ...	...	...	...	...	...	...

(Rupees in lakhs).

Details	1944—45	1945—46	1946—47	1947—48	1948—49
	8	9	10	11	12
Receipts ...	71·58	82 82	92·61	94·00	98·00
Insurance Funds *Payments* and Provident Fund.	46·08	45·96	59·98	66 00	68·00
Savings Bank Deposits Receipts ...	206·13	215·25	204·27	200·00	215·00
Payments ...	175·80	202·66	251·93	235·00	245·00
Endowment and other Receipt Accounts.	7·25	8·21	·21	5·00	5·00
Payments ...	·28	1·44	·21	·03	·03
Total Receipts ...	284·96	306·34	297·09	299·00	318·00
Total Payments ...	222·16	250·06	312·12	301·03	318·03
+ ...	62·80	56 28	...	...	4·97
− ...	...	...	15·03	2·03	...

(Rupees in lakhs).

Year	Receipts			Expenditure			Surplus	Deficit
	Interest	Productive works Net	Total	Sinking Fund contribution	Interest payment	Total		
1930—31 ..	12·48	48 38	60·81	18·78	53·32	72·10	...	11·29
1931—32 ...	8·68	53·68	62·36	18·78	49·07	67·85	...	5·49
1932—33 ...	6·21	53·74	59·95	18·78	48·43	67·21	...	7·26
1933—34 ...	13·47	54·77	68·24	18·78	54·25	73·03	...	4·79
1934—35 ...	24·92	57·68	82·59	18·78	57·67	76·45	6·14	...
1935—36 ...	22·63	60·22	82·85	18·78	66·83	85·61	...	2·76
1936—37 ...	23·12	66·20	89·32	18·78	57·98	76·76	12·56	...
1937—38 ...	20·62	68·65	89 27	18·78	59·86	78·64	10·63	...
1938—39 ...	19·72	79·95	99·67	18·78	55·78	74·56	25·11	...
1939—40 ...	20·14	82·09	102·23	18·78	53·76	72·54	29 69	...
1940—41 ...	20·58	93·79	114·37	28·78	52·77	81·55	32·82	...
1941—42 ...	20·12	93·67	113·79	24·78	49·58	74·36	39·43	...
1942—43 ...	22·91	109·13	132·04	23·78	50·03	73·31	58 23	...
1943—44 ...	26·70	141·28	167·98	23·78	51·18	74·96	93·02	...
1944—45 ...	41·30	130·79	172·09	23·78	61·58	85·36	86·73	...
1945—46 ...	59·12	147.59	206·71	18 78	64·09	82·87	123·84	...
1946—47 ...	59·83	168·67	228·50	18·78	73·39	92·17	136·33	...
1947—48 Revised ...	68·88	123·67	192·55	18·78	86·19	194 97	87·58	...
1948—49 ... (Budget)	55·82	137·21	193·03	18·78	86·79	105·57	87·46	...

CHAPTER VIII.

Our Development Schemes and their Implication.

Development Schemes in Mysore.

The Mysore State has always been a pioneer in undertaking schemes for the economic and industrial development of the country on a large scale. Our Hydro-Electric Works were the first of its kind in India. Similarly, the Sandal Oil Factory, Iron and Steel Works, Soap Factory, etc., were about the earlier large industries under State management. The Krishnarajasagara is one of the biggest multi-purpose dams built in India and there have been in addition several other large irrigation works constructed and under construction for the development of agriculture in the State. The State was also not lagging behind in the field of Education, Medical Relief, Agricultural Development and Research, etc., considerable progress as compared to other Provinces or States having been secured in these fields also. In a sense therefore "Planning" was not new to us. In line however with other States and Provinces in India, Mysore also embarked on preparing a blueprint for the post-war development programme to be taken up on the termination of the war and accordingly the several departments of Government were requested to prepare plans of development pertaining to them for consideration by the several Policy Committees of the Economic Conference, constituted for the purpose. Their schemes—208 in all—after being passed by these Policy Committees came up before the Committee for Co-ordination and Finance and that Committee recommended the dropping of 37 schemes and approved of 174 schemes (including 3 supplemental ones), involving roughly a capital or non-recurring expenditure of Rs. 21·83 crores and a recurring expenditure of Rs. 6·75 crores *spread over five years*, the increase in the annual recurring expenditure for the fifth year being Rs. 1·92 crores. Education alone accounted for an increase of Rs. 97·02 lakhs per annum. These schemes included schemes of development debitable to Capital (not met from Revenue).

Implications of the proposals of the Co-ordination and Finance Committee.

2. According to particulars furnished by the Financial Secretary to Government at that time, it was expected that in order to meet this expenditure about Rs. 18 crores would be available out of accumulated savings under various heads and in addition a further sum of Rs. 80 lakhs annually under Ways and Means would also be available. With the anticipated realisation of Rs. 2 crores given as advances to the Food Department, a sum of over Rs. 24 crores was thus expected to be available for financing these schemes during the five-year period. With regard to meeting the permanent additions to recurring expenditure on account of these schemes, the Committee observed:—

> "……Apart from economies in expenditure which may be possible in the post-war period, of which no idea can be formed at present, the question is mainly how an increase of revenues to this extent can be brought about for meeting the increased expenditure. A permanent improvement of revenue, either by raising the rates of existing taxes or levy of new ones or both, seems to be the only solution to meet the additional non-recurring expenditure on account of these schemes."

Present Position.

3. Circumstances have however altered very largely subsequent to the recommendations of this Committee, and our finances have deteriorated so much since then that a review of these requirements of these schemes *vis-a-vis* our present financial position has become urgently necessary. One of the items specially referred to me for examination was therefore " the possibility of postponing any of the post-war development schemes till the financial position improves."

4. The Commissioner of Economic Development and Planning was accordingly requested to send me a statement showing the several schemes sanctioned and unsanctioned and their estimated cost indicating also how many of these schemes had been implemented. The statement was compiled in two parts,—schemes relating to Capital and those relating to Revenue—as the methods of financing these were different. The schemes relating to Capital have been considered already in a separate Chapter. Regarding those debitable to Revenue, the financial implications of the schemes in the several groups as per the Committee's recommendations are noted below. It must however be stated that the costs as noted here are very much of an *under-estimate* since the

scales of pay etc., have undergone considerable revision after these schemes were drawn up :—

(In lakhs of Rupees).

Heads	Non-recurring for five years	Recurring for five years	Working advance
I. Re-settlement of Ex-Servicemen.	...	·62	...
II. Industries and Industrial Training.	36·72	34·86	5·00
III. Roads ...	319·50	...	...
VI. Irrigation ...	465·00	...	...
IX. Agriculture ...	15·77	41·48	...
Veterinary ...	16·47	45·99	...
X. Forestry ...	12·12	6·98	...
XI. Fisheries ...	1·58	1·10	...
XII. Co-operation ...	8·70	4·73	...
XIII. Propaganda ...	5·55	·80	...
XIV. Rural Development ...	9·00	8·02	...
XV. Education ...	153·59	170·58	...
XVI. Medical ...	21·83	28·10	...
Public Health ...	100·00	...	...
XVII, XVIII, XIX and XX. Sericulture.	18·66	7·98	·20
Total ...	1184·49	351·24	5·20

Difficult to get even a fairly accurate idea of the requirements.

5. The examination by Government of these schemes has still not been completed and it cannot be stated how many of the schemes yet to be examined by Government would ultimately be approved. Again in the case of several schemes scrutinised by Government only administrative sanction has been accorded and the departments have been requested to send up detailed schemes for approval before they are to be taken up. It is only in a few instances that the detailed schemes have been sanctioned and are being implemented. It has therefore been very difficult—almost impossible—for me to get at any reasonable estimate of the extent of funds that would be required if these schemes were to be approved and taken up for implementation. There is in addition the Report of the Malnad Development Committee and its proposals for undertaking schemes of malnad development, involving further expenditure debitable to the Revenue Budget. Although a few of the recommendations of this Committee were considered along with the schemes of the concerned

departments, the main body of the recommendations is still before Government and it would involve quite a good bit of annual recurring expenditure if the proposals of this committee should be implemented and taken up for execution.

Brief Review of the schemes and their implications.

6. In order however to have at least a rough estimate of the costs involved if we take up these development schemes, the schemes included in the several groups will be briefly reviewed with a view to see which of them have already been provided for, for which we would have to find additional funds in the coming Budgets and which of them may be postponed. I need hardly add that the estimates of requirements are very rough and is merely intended to give a general idea of the implications.

1. *Re-settlement and Re-employment of Ex-Servicemen.*—Budget provision for the current year has already been included under 28. 'A' Department of Labour and Labour welfare for the schemes in operation. The formation of an Employment Exchange is also included in the proposed Labour Reorganisation Schemes. Hence no additional funds would be required.

2. *Industries and Industrial Training.*—A statement showing the schemes the cost of which is debitable to Revenue is noted below. The schemes relating to Capital have been considered in Chapter V and VI.

(In lakhs of rupees.) *

Number and description of schemes	Estimated expenditure		
	Non-recurring	Recurring	Working advance
23 Resuscitation of the Brass Industry.	...	...	...
24 Rural and Cottage Industries.	7.34	18'42	...
25 Development of Industrial Education, S. J. O. Institute.	9'68	8'98	...
27 Increasing the number of seats in Radio and Automobile Sections.	...	...	...
28 Starting of additional courses.	...	...	...
29 Starting of an Occupational Institute at Mysore.	1'00	2'00	...
30 Starting of an Occupational Institute at Davangere.	10'41	3'43	...
Total ...	28'43	32'84	...

* As per figures of Co-ordination Committee.

Of the above, the scheme Rural and Cottage industries has been sanctioned and it has been recently ordered that amounts in excess of the existing grant for Cottage industries may be met out of the Industrial Development Fund. The annual receipts to this Fund is over three lakhs of rupees. (Contribution from General Revenues Rs. 2 lakhs and Excise duty on Steel ingots Rs. 1·11 lakhs). No further provision need therefore be made on this account.

The provision for additional requirements as noted below in respect of Industrial Education appears however necessary.

(In lakhs of Rupees.)

——	Non-recurring	Recurring for 5 years	Recurring per annum
Development of Industrial Education.	9·68	8·98	2·00 after fifth year.
Starting of an Occupational Institute at Mysore and Davangere.	11·41	2·00 3·43	1·1
Total ...	21·09	14·41	3·1

3. *Textiles.*—The schemes contemplated are as under :—

(In lakhs of Rupees.)

Number and description of schemes	Estimated expenditure		
	Non-recurring	Recurring	Working advance
31 Equipment of the Technological Institute.	7·20	·20	...
32 Organising the Handloom Weavers in the State.	·44	·40	5·00
35 Development of Khadi Industry in Mysore.	·50	1·00	...
36 Training Khadi Workers in the State.	·15	·43	...
Total ...	8·29	2·03	5·00

Provision in respect of the following schemes appear necessary and would have to be made:—

	In lakhs of Rupees.	
	Non-recurring	*Recurring*
Equipment of Technological Institute	7·20	·20
Organising the Handloom Weavers in the State.	·44	·25
Development of Khadi Industry ...	·50	·25
Training of Khadi Workers ...	·15	...
Total ...	8·29	·70

4. *Road Development.*—A sum of Rs. 3·19 crores was estimated to be required for the works noted below. But no detailed schemes except for Cement-concreting have yet been approved. The cement-concreting scheme too has been dropped for want of cement.

	In lakhs of Rupees.
Village Roads (1,000 miles) ...	37·50
District Roads (500 miles) ...	25·00
Major Bridges ...	42·00
Minor Bridges ...	25·00
Deviation of Roads ...	10·00
Cement-concreting of Roads (300 miles).	180·00
Total ..	319·50

Regarding Inter-village Roads, including minor bridges a sum of Rs. 3 lakhs is being contributed from General Revenues to the Inter-village Road fund and this (Inter-village Road) fund has a closing balance of Rs. 24·41 lakhs. With the balance at credit of the fund and the annual contribution to the same of Rs. 3 lakhs and credits from District Boards and Municipalities the expenditure of Rs. 62·00 lakhs provided for in the scheme may be met. No special grant for this purpose would therefore be necessary.

The expenditure on Deviation of Roads and Major bridges may be met from the normal grants under Civil Works, the same being regulated according to availability of finance. No special provision under this head would be necessary.

No special grants are therefore necessary for any item under this head, the cement-concreting work being taken up only when prices come down and when our Revenue position admits of the expenditure.

5. *Irrigation Projects.*—The schemes contemplated and cost involved are noted below According to existing orders the expenditure on Irrigation works except those relating to Capital are being financed with the grants under "23. Irrigation" supplemented by the Irrigation Development Fund, all expenditure above Rs. 12 lakhs being met from the Irrigation Development Fund. The balance at credit of Irrigation Development Fund at the end of 1948-49 is expected to be Rs. 114·45 lakhs. The same procedure may continue and all these works financed from the Irrigation Development Fund which will continue to get a contribution of Rs. 15 lakhs from General Revenues.

		In lakhs of Rupees.
Irrigation works	...	202·00
Restoration of Minor Tanks	...	240·00
Underground and Surface Drainage scheme.		25·00
Total	...	465·00

Regarding Restoration of Minor Tanks, a grant of Rs. 15 lakhs is being given and a sum of Rs. 5 lakhs is being charged to "23. Irrigation". These works were estimated to cost Rs. 240 lakhs some time ago the Government portion being Rs. 138 lakhs. The work of restoration of minor tanks is very important. A grant of Rs. 10 lakhs at least and if possible Rs. 15 lakhs should continue to be made for this purpose. The benefit of any Revenue surpluses should also be earmarked for improvements under Irrigation and Agriculture at least till we are self-sufficient in food supplies.

Regarding Underground and Surface Drainage Schemes, the Committee for Co-ordination and Finance have allotted only Rs. 25 lakhs for five years. The grants for this purpose are met from "30. Grants for Public Improvements" and suitable appropriations are being provided for under that head and so there is no need for any additional contribution apart from what is provided there.

6. *Agriculture.*—The sanctioned schemes are noted below along with the cost as proposed by the Committee for Co-ordination and Finance and the provision made in the current year's Budget:—

(Rs. in lakhs.)

Number and description of schemes	Estimated expenditure		
	Non-recurring	Recurring for 5 years	Working advance
GROUP IX-A. AGRICULTURE			
1 Multiplication and distribution of seeds and manures.	·51	16·42	...
2 Five-year plan for wide distribution of improved agricultural implements.	...	12·27	...
3 Starting of more experimental farms.	2·18	2·09	....
4 Starting of more demonstration farms in Taluk Headquarters.	3·88	2·81	...
5 Manufacture of Compost from agricultural wastes.	·56	2·49	...
6 Tractor Service in the State.	3·00	3·65	...
7 Starting of additional Kannada Agricultural Schools.	·75	1·23	...
8 Short course of training to Agriculturists.	...	·45	...
9 Establishment of a Board of Agricultural Research.	·91	·50	...
10 Central Fruit Research Station at Hesarghatta.	·20	·03	...
11 Reorganisation of the Section *Agricultural Statistics, etc.*	·20	·92	...
12 Investigation on the biological control of Sugarcane stem-borer etc.	·15	·44	...

Recurring—Non-recurring.

Provision has been made in the current year's Budget (which will repeat) in respect of the schemes noted below and no further additions may be necessary.

1. Manufacture of Compost from agricultural waste. (It has also been suggested in my note under agriculture that this work may be made over to the Rural Reconstruction Department).
2. Tractor Service in the State. (By some error more than the required, provision had been made this year. This will be reduced and the funds provided limitted to the extent necessary).
3. Starting of Kannada Agricultural schools.
4. Short Course of Training to Agriculturists.
5. Investigating on the Biological control of sugar-cane stem-borer, etc.

Regarding the other schemes—

Establishment of a Board of Agricultural Research.—Now that the Agricultural College has been started, this Board may be constituted at minimum cost from among the professors in the College, the College Laboratory being utilised. Under these conditions a lumpsum grant of about Rs. 10,000 per annum may be enough.

With regard to the scheme for improved agricultural implements, it has been suggested that this may be transferred to the Co-operative Department.

Regarding the schemes for distribution of seeds, starting of more Experimental Farms, starting of more Demonstration Farms in taluks and Reorganisation of Agricultural Statistics the funds provided this year may perhaps be inadequate. There is, however, no indication regarding the exact amount required. A non-recurring expenditure of Rs. 8 lakhs for the five-year period and a maximum recurring expenditure of Rs. 5 lakhs per annum may therefore be provided for these. As the schemes expand and larger provision is made in the regular budgeted heads the lumpsum grants should be correspondingly reduced. A lumpsum provision of Rs. 10 lakhs for Development schemes has been made in the current year's Budget. This provision will therefore be modified as indicated above.

Veterinary.

The schemes of this Department are noted below. Provision has already been made in the State Budget for implementing a good number of these schemes.

(In lakhs of Rupees.)

Number and Description of Schemes	Estimated Expenditure	
	Non-recurring	Recurring
1. Training of Veterinary Personnel ...	·14	6·98
2. Opening of Rural Veterinary Dispensaries.	...	·33
3. Live-stock Improvement scheme ...	...	·66
4. Starting of Sheep farms in each District	·88	1·85
5. Starting of Sheep Breeders' Associations	·04	·44
6. Introduction of subsidised flocks in the State.	·26	·69
7. Machine-shearing of sheep ...	·17	·43

In lakhs of Rupees.

Number and Description of Schemes	Estimated Expenditure	
	Non-recurring	Recurring
8. Grading up of local sheep with Bikanir Stud-rams.	(To be revised)	
9. Establishment of Wool Analysis Laboratory.	(Not approved)	
10. Establishment of Breeding-Farms for Milch goats.	·76	·70
11. Control of parasitic diseases among cattle and sheep.	·03	·57
12. Development of large-scale Poultry Farming.	2·20	5·61
13. Development of Bee-keeping in the State.	·18	1·17
14. Establishment of Government Duck Farm in the State.	·34	1·54
15. Establishment of Government Turkey Farms in the State.	(Postponed)	
16. Establishment of Government Dairies	5·32	8·45
17. Establishment of Cattle Breeding Station.	4·32	13·00
18. Construction of Cattle Dipping Tanks	(Dropped)	
19. Expansion of the Mysore Serum Institute.	1·77	8·03
20. Reorganisation of Veterinary Research.	·40	1·97
21. Organising a Propaganda Section for the Veterinary Department.	(Not approved)	
22. Salvage and Boarding of dry cows from urban areas.	·72	3·83
23. Establishment of Calf-Nurseries ...	(Schemes to be submitted).	
24. Reorganisation of Department of Veterinary and Animal Husbandry Services.	Do	
Total ...	16·47	45·99

1. *Training of Veterinary Personnel.*—This is almost completed. As however there is need for sending men for training annually to replace men that are retiring and for new scheme, a provision of Rs. 20,000 has to be continued in the coming Budgets. This has been taken into account already while dealing with the departmental Budget.

2. *Opening of Rural Veterinary Dispensaries.*—According to the programme, 21 dispensaries have to be opened each year. Three years being now over a provision has to be made only for opening these during the next two years. This will cost Rs. 66,000 per annum.

3. *Live-stock Improvement Scheme.*—A recurring provision of Rs. 60,000 has been made in the Budget. No further grants would be necessary.

4. *Starting of Sheep Farms in each District.*—I have suggested in my Note under Veterinary that the expenditure of these farms may be cut down. No further net grants for expenditure need be given.

5. *Starting of Sheep Breeders' Association in Tumkur, Chitaldrug and Kadur Districts.*
6. *Sheep Breeding Expansion: Introduction of subsidised flocks in the State.*
7. *Machine-shearing of sheep on an intensive scale.*
8. *Grading up of local sheep with Bikanir Stud-rams.*

I have suggested in my Note that the expenditure on these schemes also may be cut down. No further provision would therefore be necessary.

9. *Control of Parasitic Diseases among Cattle and Sheep.*—A sum of Rs. 12,000 may have to be provided for this.

10. *Development of Bee-keeping.*—It has been suggested in my Note regarding this department that this scheme should be made self-supporting. No net expenditure need therefore be provided for.

11. *Development of large scale Poultry Farming.*—It has been suggested that this scheme should not be a charge on our revenues and that it should be made self-supporting. No net expenditure need therefore be provided for this.

12. *Establishment of Duck-Farms.*
13. *Do of Turkey Farms.*

These may be omitted for the reasons stated in my Note.

14. *Establishment of Government Dairies.*
15. *Establishment of Cattle Breeding Stations.*

These two schemes may be clubbed together and run at minimum *net cost* to Government. A lumpsum of Rs. 50 thousand in addition to what is provided in the Budget may be allowed.

16. *Expansion of Mysore Serum Institute.*—The Institute is expected to be a paying proposition. The increase in recurring expenditure may therefore be so regulated with the expansion of production of biologicals that there will be no net additional expenditure. A sum of Rs. 1·77 lakhs required for non-recurring expenditure may however be provided.

17. *Reorganisation of Veterinary Research Section.*—This scheme may be held in abeyance.

On the whole, a sum of Rs. 5 lakhs in all for non-recurring expenditure and a recurring expenditure of Rs. 1·5 lakhs per annum on the development schemes may be permitted. The lumpsum provision of Rs. 3 lakhs made in the current year's budget may therefore be reduced to Rs. 1·5 lakhs. The provision for buildings equipment, etc., may be made as and when the financial position admits of this.

Forest Department.

The schemes relating to this department along with the anticipated costs and details for the provision of Rs. 2·5 lakhs made in the current year's budget are noted below :—

(In lakhs of Rupees.)

Number and Description of Schemes	Estimated Expenditure as per C. & F. Committee			Budget Provision for 48-49
	Non-recurring	Recurring	Working Advance	
GROUP X—FORESTRY.				
1 Establishment of Central Sylvicultural Research Station.	·50	2·06	...	·30
2 Revision of scales of pay ...	(Not considered)			
3 Recruitment of training of Forest Personnel—Officers.	·72	...	...	·15
4 Recruitment of training of Forest Personnel of Rangers.	·15	·43	...	...
5 Reafforestation of barren areas in Maidan Division	6·05	1.77	...	·60
6 Rehabilitation of over-exploited areas ...	Cost to be met by Mysore Iron and Steel Works.			·50
7 Manufacture of Battery Separators ...	Ascertained to have been dropped.			
8 Formation of Cinchona Plantations ...	1·50	·62	...	·45
9 Mysore Lac Production Scheme ...	·10	·81	...	
10 Improvement of Forest communications ...	1·10	1·23	...	·30
11 Housing of Forest staff ...	2·00	·06	...	·25

Non-recurring.

1. *Establishment of Central Sylvicultural Research Station.*—A provision of Rs. 30,000 has been made for this Institute. This scheme may perhaps be deferred, the several items of work being attached to the District Forest

Officers or the Forest Research Laboratory at Bangalore, a lumpsum grant of Rs. 5,000 being given for this purpose.

2. *Recruitment and training of Forest Personnel.*—The sum of Rs. 15,000 proposed for training of Forest Officers may be reduced to Rs. 10,000 per annum.

3. *Recruitment and training of Forest Rangers.*—Provision for this already exists in the Budget. The special provision may be deleted.

4. *Re-afforestation of Barren areas in the Maidan Division.*—This is necessary and the provision of Rs. 60,000 for this may stand.

5. *Rehabilitation of over-exploited areas.*—A provision of Rs. 50,000 has been made for this purpose. Really however this charge has to be met from the Iron Works. Again this is also part of the work of the Department and its staff. No special provision need be made for this in the Revenue Budget.

6. *Formation of Cinchona Plantations.*
7. *Mysore Lac Production Scheme.*

A sum of Rs. 45,000 is provided. But the lac production scheme itself would have to be revised as the scheme as at present envisaged involves a net loss. The expenditure on these may be cut down to Rs. 15,000.

8. *Improvement of Forest Communications.*—The special provision of Rs. 30,000 may be reduced to Rs. 25,000.

9. *Housing of Forest Staff.*—This programme must be slowed down till conditions improve.

The lumpsum provision of Rs. 2·5 lakhs made in the current year's budget may therefore be reduced to Rs. 1·5 lakhs.

Fisheries.

Provision for this has already been included in the Budget and a suggestion has been made in my Note that the capital grant of Rs. 60,000 in the current year's budget may be reduced to Rs. 20,000. No special additions are therefore necessary.

Co-operation.

Orders of Government regarding the schemes of this Department have not yet been passed. A lumpsum grant

of one lakh of rupees has however been included in the current year's Budget. The schemes of this department involve merely subventions or small additions to establishment. The entire demand of the Department is about Rs. 1·35 lakhs per annum as noted below :—

Number and description of schemes	Estimated expenditure		Requirements
	Non-Recurring	Recurring	
Group XII—Co-operation—			
1. Organisation of a Central Silk Marketing Society.	5·00	·15	·05
2. Development of Co-operative Housing ...	...	·30	...
3. Organisation of Milk Supply Societies (Loan)	1·25	·36	·12
4. Organisation of a Central Egg Marketing Society (Loan).	·12	·15	·05
5. Redemption of Agricultural Indebtedness below Rs. 200.	...	·55	·11
6. Organisation of Marketing Societies for Commercial Products (Loan).	·50	1·08	·36
7. Starting of a Co-operative Printing House ...	·60	·09	...
8. Consolidation of holdings and Co-operative Farming.	...	·15	...
9. Organisation of Multipurpose Societies ...	1·28	1·67	·55
10. Co-operative Training for officers of the Department.	...	·23	.11
11. Reorganisation of the Department of Co-operation.	Scheme left for consideration of Government.		
		Total	1·35

The non-recurring grants are mainly for grant of loans. It seems to me that it would be more than adequate if an expenditure of Rs. ·50 lakhs is included as the additional recurring expenditure on schemes of this department if implemented. The lumpsum provision of Rs. 1 lakh made in the current year's budget may therefore be reduced to this extent.

Publicity and Propaganda.

The scheme is to give due publicity to the rural reconstruction policy of Government. The details provided in this scheme have been provided for in the schemes under Rural Reconstruction. No special grants are therefore necessary here. The question of integrating this with the Publicity department of Government so as to avoid over-lapping has however to be examined.

Rural Reconstruction Drive and Rural Welfare Centres.

The two schemes noted below form part of the Rural Reconstruction programme for which a provision of

Rs. 20·58 lakhs has been made. If Rural Welfare Centres have to be established one for each district, 7 more have to be started and an establishment charge of, roughly, Rs. 50,000 may be necessary. This may be included.

1. Rural Reconstruction Drive.
2. Rural Welfare Centres.

Education.

According to the revised proposals of the Director of Public Instruction, an additional annual recurring expenditure of Rs. one crore in the fifth year and Rs. 25 lakhs per annum non-recurring would be necessary. The present Budget is Rs. 2·75 crores. It would not be possible to provide for these large amounts. We may at best add Rs. 50 lakhs to the recurring expenditure in the next five years. Even that would perhaps be much more than what the State could bear. For building and equipment a provision of Rs. 15 lakhs for every year for five years towards primary education and Rs. 4 lakhs for Middle School education has been recommended by the Committee for Co-ordination and Finance. Actually, however, a larger provision has been made in the current year's Budget, *viz.*, Rs. 17·56 lakhs for original works and repairs and Rs. 5·48 lakhs for building grants. I have suggested that these may be reduced by Rs. 10 lakhs as we may not be able to afford more.

Medical.

The schemes put up and the recurring and non-recurring costs are noted below. While several of the schemes of this department have been implemented many could not be implemented for want of staff. The current year's Budget includes a provision of Rs. 7·19 lakhs for development schemes.

Number and description of schemes	Provisions as per Report of the C & F Committee		1948—49 (Budget)
	Non-recurring	Recurring	
Group XVI—Medical—(General)—			
1. Conversion of McGann Hospital into a General Hospital.	2·00	2·65	...
2. Starting of Mobile Dispensaries in rural areas.	·86	1·78	0·60
3. Opening of new dispensaries in rural areas'...	1·50	11 00	...
4. Poviding in-patient wards to Local Fund Dispensaries.	5·00	·90	...
5. Reorganisation of Nursing Services ...	...	1·14 p.a.	...
6. Establishment of General Hospital at Malleswaram.	3·32	·68	...
7. Establishment of a Tuberculosis Hospital at Bangalore.	1·00	·32 p.a.	...
8. Establishment of a separate Institution for Cardiac Diseases.	·11	·12 p.a.	...
9. Anti-leprosy work in the State:—			
(a) Starting of a General Leper Asylum in Bangalore.	·10	·55	0·25
(b) Leper Colonies in Taluks ...	·17	·12	0·20
10. Anti-tuberculosis measures ...	·85	·91	0·22
11. Starting new Hospitals at Saklespur ...	·15	·25	...
Do Tumkur ...	·65	·15	...
12. Deputation of Medical Officers to foreign countries.	·25 p.a.	...	0·75
13. Improvement of the Krishnarajendra Hospital.	2·24	·35	0·50
14. Development of the T.B. Hospital at Davangere.	·12	2·12	...
Total ...	18·33	23·00	2 52

1. *Conversion of McGann Hospital.*—A provision of Rs. 40,000 per annum may be retained.

2. *Starting Mobile Dispensaries in rural areas.*—The provisions of Rs. 60,000 made in the current year's Budget may stand. Attempts should however be made to get the vehicles as gifts from donors thus reducing the capital cost.

3. *Opening of new Dispensaries in rural areas.*—The proposal was to open 20 dispensaries each year at a cost of Rs. 20,000 non-recurring and Rs. 48,960 recurring. The costs now would be much higher. The Senior Surgeon states that for want of required personnel, it has not been possible to keep to this programme, but he expects to start 7 dispensaries during the course of the year. A provision of Rs. 50,000 has been made in the current year's Budget for opening new dispensaries. In addition under Local Fund Dispensaries also, there is a lumpsum provision of Rs. 15,764 for new dispensaries. There is therefore a double provision. In view of the difficulty in securing the personnel the provision for

opening new dispensaries in the coming Budgets may be reduced to Rs. 25,000.

4. *Providing In-patient wards to Local Fund Dispensaries.*—This scheme would have to be deferred partly due to heavy cost of building materials and partly due to want of personnel.

5. *Re-organisation of Nursing Services.*—This has been given effect to. No additional provision on account of this is necessary.

6. *Establishment of a General Hospital at Malleswaram.*—It is not likely that this will come up during the next five years. This may be deferred.

7. *Establishment of a Tuberculosis Hospital in Bangalore.*—A new hospital has been opened and is functioning. No additional provision is necessary.

8. *Starting of a separate Institute for Cardiac Diseases.*—This Institute also has started the work.

9. *Anti-leprosy work in the State.*—A provision of Rs. 45,000 has been made. This may stand.

10. *Anti-tuberculosis measures.*—The Senior Surgeon stated that the improvement to the new wards for providing increased accommodation in the Princess Krishnajammanni Tuberculosis Sanatorium have been effected and the wards are already put into use and required staff has been entertained. The provision of Rs. 22,000 for anti-tuberculosis measures made in the current year's Budget may be repeated.

11. *Equipping and Starting new Hospital at Saklespur and Tumkur.*—The expenditure has already been included in the current year's Budget.

12. *Deputation of Medical Officers.*—I have suggested separately that a scheme for granting study leave and loans may be introduced instead of the present method of Government meeting the entire cost. No special provision is therefore necessary for this purpose.

13. *Improvements to Krishnarajendra Hospital.*—The building portion of the programme has been approved. With regard to the additional staff, a recurring expenditure of Rs. 35,000 has been asked for. This may be included.

14. *Development of Tuberculosis Hospital at Davangere.*—A recurring expenditure of Rs. 22,000 on this account has been provided *vide* item 10. No further grant is presumably necessary.

MEDICAL—WOMEN'S SECTION.

The relative schemes with costs are noted below :—

Rupees in lakhs.

	Name of the Scheme	*Expenditure as proposed by the C. and F. Committee.*	
		Non-recurring.	*Recurring.*
1.	Improvement of Nursing Services ...	(Included under Scheme 5 General)	
2.	Appointment of a Woman Doctor to each taluk (1650×46 taluks)	...	·76 P A.
3.	Appointment of a Midwife to each Hobli (507×145 hoblies)	...	·74 P.A.
4.	A ward of six beds in each taluk-headquarter (1416×46 taluks)	...	·65 P.A.
	Government share	·55	
	Local Body	1·10	
5,	Improvement in grade pay of Lady Sub-Assistant Surgeons	...	·45
6.	Housing of staff of hospitals in Bangalore and Mysore	Dropped	
7.	Housing of Lady Sub-Assistant Surgeons in District Headquarters	0·35	
8.	Extension of Medical aid to women in Bangalore City. (Maternity Hospital at Malleswaram)	1·50	2·50

The following schemes having been implemented they may be omitted from consideration :—

(1) Improvement in grade pay of Lady Sub-Assistant Surgeons.

(2) Extension of medical aid to Women in Bangalore City (Maternity Hospital at Malleswaram.)

Regarding the other schemes.—

The appointment of a woman doctor to each taluk (scheme 2) and a ward of six beds (scheme 4) would presumably have to lie over for want of women doctors. A token grant of Rs. 25,000 may therefore be included.

A sum of Rs. 25,000 may be included for the housing of Lady Sub-Assistant Surgeons.

The provisions for Maternity Hospital at Malleswaram may be included.

Public Health.

This department has put forward only two schemes as noted below:—

1.	Scheme for Rural Public Health Organisation.	Cost as recommended by C. and F. Committee.—Lumpsum of one crore, the proportion towards non-recurring and recurring expenditure being 1 : 2.
2.	Extension of Maternity and Child Welfare Services.	

Government have ordered that Scheme No. 2 (Extension of Maternity and Child Welfare Services) may be dropped as the same is not practicable and that the question of appointing a Health Nurse may be considered in connection with the opening of Health Units. Regarding Scheme No. 1 (Rural Public Health Organisation) orders of Government with regard to the opening of Malnad Health Units have been passed and a provision of Rs. 12 lakhs has been made for development schemes in the current year's Budget to meet this cost. The Budget also includes provision for a number of Health Units sanctioned from time to time. It may therefore be enough if a maximum recurring expenditure of Rs. 10 lakhs at the end of the 5th year in addition to the existing lumpsum provision of Rs. 12 lakhs is provided.

Sericulture.

A statement showing the several schemes and amounts provided for by the C. and F. Committee is put up.

[Rupees in lakhs.

	Name of the Schemes	Non-recurring	Recurring
1	Central Sericultural School ...	10·00	5·00
2	Establishment of Sericultural Research Institute.		
3	Starting of two new Hill Stations :—		
	(*a*) Krishnarajendra Hill ...	1·78	2·13
	(*b*) Biligirirangan Hills ...		
4	Seed Supply	...	...
5	Supply of manure to Sericulturists ...	0·20	...
6	Mulberry Nurseries	...	...
7	Starting of 50 Farms for rearing Mysore Seed Cocoons.	3·00	2·90
8	Co-operation	0·25	0·14
9	Equipping four Cocoon markets ...	...	...

In the current year's Budget provision has been included for Scheme No. 1, *viz.*, Central Sericultural School and lumpsum provision has been made for other schemes as under and the expenditure is proposed to be met from the Silk Industry Fund.

	Rupees in lakhs.	
Establishment of Sericultural Institute ...	2·70	
Starting of new Hill Stations :—		
Krishnarajendra Hill	·65	
Biligirirangan Hills	·30	
Nandi Hills	·15	(new addition.)
Seed Supply	1·63	
Seed Cocoon Farm	1·10	
Total ...	6·53	

I have already noted in my report regarding economies in the Sericultural department that it is not correct to incur large recurring and non-recurring expenditure out of Sericultural Development Fund, the source of receipts to which has dried up and that it would be prudent to utilise only the interest receipts from that source.

2. Regarding the Sericultural Research Institute, the expenditure on this may perhaps be deferred till better times and all research concentrated at the institute at Chennapatna. The expenditure on the Hill Stations may be reduced and the scheme to establish a Station at Nandi deferred.

3. Similarly the expenditure on Seed Cocoon Farms and Seed Supply may be postponed, maximum use being made of the existing grants. The expenditure under Scheme No. 5 (Supply of manure to Sericulturists) should be met out of advance. It is not a charge on Revenue expenditure. As Sericulture is a developing industry, we may however allow a lumpsum increase of one lakh of rupees under recurring expenditure, a similar sum being allowed for non-recurring expenditure.

Omitting, therefore, the very large lumpsum provision made for the several post-war development schemes in the current year's Budget under Education, Agriculture, Veterinary, etc., and limiting further provision to the

minimum required excluding the schemes already included in the Budget, the additional grants as worked out above would be:—

[Rupees in lakhs.

	Recurring	Non-recurring
Industrial and Industrial Training ...	3·10	21·09
Textiles	·69	8·29
Forest Department	1·25	5·00
Co-operation	·50	...
Rural Reconstruction	·50	...
...	Addition	
Education ...	10·00 per annum, thus raising to Rs. 50 lakhs in the 5th year.	
Medical	1·05 Buildings provided for in the normal Budget.	
Public Health	10·00	...
Sericulture	1·00	1·00
Total ...	28·79 per annum	35·38

The provision for this limited additional expenditure on account of the implementation of our development schemes would not therefore be much of a problem to Government. This expenditure could normally be met from normal increases in Revenue more particularly the large increase anticipated under "Electrical" Revenue.

CHAPTER IX.

Conclusion.

The terms of reference to the Economy Officer when that appointment was sanctioned were (1) to consider all questions of economy and retrenchment in the several departments and (2) to suggest ways and means of improving the Revenue position either by fresh taxation or increasing the existing taxation. Both these have been considered and suggestions relating to economies in each department and possibilities of augmenting Revenue and levy of additional taxation has been dealt with in the several chapters. Some important departments such as Public Works and Railways and the Secretariat however did not send the replies to my enquiries in time and proposals regarding them had therefore to be made on the best information available. (The Chief Secretary sent the replies on 24th January 1949 but they were incomplete. The Chief Engineer for Irrigation sent replies on 9th February 1949 but this was too late for consideration in this report).

2. According to the procedure that had been decided upon for dealing with this report it was expected that the notes relating to each department would be discussed in detail at a meeting with the Heads of Departments concerned, the Secretary to Government and the Departmental and Finance Ministers and tentative conclusions arrived at. Such a procedure had its own advantages in that all points of view could be examined keeping in mind the imperative need for economy. This procedure was however discontinued and Government desired in January 1949 that a consolidated printed report be submitted embodying proposals in respect of all departments.

3. Consequent on this the size of several reports had to be cut down and the reports made as brief as possible. But even then I am afraid my report has been rather bulky. This could not be helped since I wanted to give the reasons as briefly as possible for the proposals made by me. Even now the best method for dealing with the report would be to go through the several proposals in detail at ministerial level with the officers concerned and take the necessary decisions.

4. In the case of some technical departments such as the Electrical Department, Forest Department, Comptroller's Office, Railway, etc., in respect of which measures for economy in establishment could only be proposed after a detailed study of the basic facts regarding the work to be done by the several kind of employees. I have suggested the appointment of "Expert Committees" with the Efficiency Audit Officer, the Head of Department and one or two other technical or departmental experts which could also go into the existing procedure and methods of work and suggest economies in existing scales of works expenditure, simplification of procedure, avoidance of unnecessary registers and calling for unnecessary returns, etc. I have also suggested that further decentralisation of powers may also be examined by these Committees. I have no doubt that as a result of their recommendations coupled with the early publication of revised and up-to-date departmental Manuals and further delegation of powers the departmental routine work now being done will considerably be lessened enabling large economies being rendered possible in the staff of these departments.

5. Before concluding this Report, I wish to refer briefly to the results of the proposals made therein. It may be mentioned at the outset that the general financial position of the Mysore State today is perfectly sound. The realisable assets are almost equal to the liabilities and *in addition* our capital assets far exceed the *permanent debt* and are also very nearly equal to the total liabilities as noted below. (The figures are for 1947-48 Revised)

In lakhs of Rupees.

Liabilities. (as per Revised Estimates.)		*Assets Realisable.*		*Capital Assets.*	
1. Permanent Debt.	1621·13	Cash and F.D.R. ...	412·87	M. S. Rly. ...	738·62
2. Unfunded Debt.	1097·79	Investment...	2432·65	K. R. S. ...	515·24
3. Local and other Fund ...	453·45	Loans and advances ...	299·72	Iron Works not charged to Revenue ...	81·52
4. Deposits ...	247·48			Hydro Electric works ...	1160·92
				Industrial and other works ...	211·70
				Iron and Steel works and Cement plant	248·44
	3419·85		3145·24		2906·44

(Figures are taken from Budget memorandum as actuals are not readily available).

we have no unproductive debts. Funds are doubtless required for completing the Development schemes including Irrigation (Capital) that we have taken up or

propose to take up but except for the Irrigation schemes the funds required for the other schemes *on hand can*, I think, be found without borrowing. It is only our revenue position that is causing anxiety. Budgetary Equilibrium has been badly upset by the excess of Revenue expenditure over realisable Revenue. This disequilibrium is mainly due to the proposed introduction of prohibition all over the State and anticipated fall under other Revenue heads consequent on various other factors and increases in expenditure due to the increases in basic scales of pay, the grant of Dearness Allowance and implementation of our post-war development schemes. Government's desire to restore financial equilibrium as early as possible and to take immediate measures to rectify the disequilibrium between Revenue and expenditure has resulted in the present enquiry and necessary measures would doubtless be taken for securing reasonably balanced budgets.

6. A statement showing the economies proposed and increase of Revenue suggested under several heads has been put up at the end of the notes relating to each section or department. For facility of reference a major head abstract is put up showing the anticipated receipts and expenditure of the current year and how the proposals made by me would affect these. It will be seen therefrom that if all the proposals are given effect to, the receipts would be about Rs. 1012·84 lakhs and the expenditure would be Rs. 997·42 lakhs leaving a small surplus of Rs. 15·42 lakhs.

7. We are however living in times when conditions are rapidly altering and it is very difficult to predict what changes in the financial structure of our own State would be rendered necessary by the constitutional changes that are likely to take place in the relationship of the Centre to the acceding States. Whatever these changes, the need for expanding sources of Revenue to be left at the State's disposal for financing the several ameliorative measures under Education, Public Health, Agriculture including Animal Husbandry, Rural Development, etc., undertaken or programmed to be undertaken *is paramount* and would, I dare say, be prominently borne in mind if and when these changes are hammerred out.

8. Regarding the Development Schemes (Capital) that are in progress or are proposed to be taken up in the immediate future, while many of these in progress could be financed from out of our existing resources, the completion of the large irrigation works already started

and the taking up of new Electrical undertakings, schemes and plans for which are ready and also the proposed extension to our Railway, require large capital. There are also fresh industrial undertakings under contemplation such as Fertilisers, Rayon, Aluminium Factory, Bicycle Factory, etc., necessary for the Industrial Expansion of the State. These require large capital and it will be a matter for acute consideration as to how these are to be found. Except perhaps the Electrical undertakings, one cannot be sure of getting " certain " returns on the capital invested on the other ventures and in view of the delicate Revenue position, it would not be desirable to " borrow " for financing these undertakings since, if they do not yield sufficient returns, they would prove a burden to the Tax-payer. It has, therefore, been suggested that, as far as possible, all the fresh Industrial Development contemplated, may be of the aided type, Government taking a share in the capital and also in the administration of the concerns where necessary. In respect of our irrigational programmes, however we may perhaps try to obtain long term loans from the International Monetary Fund or such other source agreeing to provide a suitable Sinking Fund to amortise the debt, at terms that would be advantageous to the State. Regarding Hydro-Electric Works and Electrification of Railways if the return *is assured* we may borrow in the open market. Mysore's credit has always been good and if we balance the Revenue Budget there may not be any difficulty in raising loans for financing *productive* capital works.

9. In the proposals made by me, I have assumed that there will be certain reductions of Revenue consequent on prohibition, etc., and after providing for the necessary economies in expenditure in the several departments the measures for improvement of Revenue for making up the 'Deficiency', has been suggested. But it may happen that all the anticipations made by me may not prove correct. The ultimate measures to be taken would, therefore, largly be a matter to be decided at Governmental level at the time Budget estimates are framed each year.

10. I have not therefore examined all possible additional sources of Revenue since with the proposals now made, Budgetary Balances could be secured and the normal growth of Revenue would bring in the small increases necessary to meet normal additions to expenditure. If any of the proposals made by me for augmenting Revenue

are not acceptable to Government, we have before us, the measures taken by the several provincial Governments to secure increased Revenues and we could consider the advisability of adopting these. The Revenue Budget should however be balanced.

10. The lifting of the exemption under certain item now given under our Sales Tax Rules and increases in rates wherever possible would also bring in additional Revenue when necessary. Again, the imposition of Agricultural Income Tax, in addition to a basic land tax, may also be considered as an available additional source of Revenue. But for the present, at any rate, there may not be any need for such measures in Mysore. But it must be understood before we consider raising additional Revenues by further taxation we should first be satisfied that all sources of economising in expenditure are exhausted and the additional moneys required are necessary and are meant for undertaking measures for improving the conditions of our people.

11. Before concluding this Report, I wish to acknowledge with thanks the help I received from my colleagues in the several departments and my Staff and Assistants who have given me their unstinted co-operation and help throughout.

B. S. RAGHAVENDRA RAO,
Economy Officer.

CHAPTER X

Summary of Chapters

CHAPTER I

Introductory

In view of the deteriorated revenue position consequent on the revision of scales of pay, enhancement of Dearness Allowance, undertaking of Postwar schemes and the introduction of policy of prohibition, etc., and anticipated fall in the adventitious increases in revenue in respect of several items such as Income-tax, Gold Duty, Sandal Oil, Timber, etc., Government appointed an Economy Officer to consider all questions of economy and retrenchment in several departments and to suggest Ways and Means of improving the revenue position either by fresh taxation or increasing the existing rates of taxes or otherwise.

2. The Economy Officer was also directed to take into consideration certain further items in dealing with the question of retrenchment and matters relating to the improvement of the revenue position of the State.

3. Questionnaires were accordingly prepared in respect of each department with special reference to the circumstances relating to the particular departments and suggestions from the several heads of departments were called for regarding economising expenditure and augmenting revenues. Another general questionnaire was also prepared inviting suggestions from the members of the Legislature and the general public, in these matters.

4. Government were also requested to issue *ad interim* circulars directing heads of departments and other subordinate officers not to fill up vacancies permanently without specific sanction of Government till orders on the Report of the Economy Officer were passed. In drawing up the present Report, the frame-work of the previous reports has generally been adopted.

CHAPTER II

Financial Position

5. A rapid review of the finances of the State during recent years tracing the fluctuations in revenue and expenditure and factors affecting them is made in this Chapter.

6. The financial position of the State had a set back in 1930-31 and a Retrenchment Committee was appointed for exploring all possibilities for effecting drastic economies and for improving revenues. Although, consequent on the implementation of the recommendations of the Retrenchment Committee budgetary equilibrium was subsequently established, both Revenue and Expenditure again increased, the year 1938-39 ultimately closing with a small deficit.

7. The progress of Revenue since 1938-39 to date shows that the Revenue which was Rs. 398·28 lakhs in 1938-39 went up to Rs. 1,176·82 lakhs in 1946-47 and is estimated at Rs. 1,068·17 lakhs in the current year. The decline in Revenue appears to have already commenced.

8. According to the Revenue forecast for subsequent years under existing conditions and the introduction of total prohibition which itself accounts for about Rs. 2 crores, a decline of Rs. 3·5 crores in the revenue position is expected. Gold Duty, Interest, Assigned tract Revenue, Railways and Forests are the principal heads under which decline is anticipated.

9. A review of the expenditure items since 1938-39 shows that the expenditure which was Rs. 404·46 lakhs in 1938-39 has risen to Rs. 1,372·59 lakhs in the current year showing an increase of Rs. 968·13 lakhs against a Revenue increase of only Rs. 669·89 lakhs.

10. The recent upgrading of pay, the increase in the cost of supplies and services, the implementation of Development Plans, the inclusion of the expenditure relating to Civil Station, and grant of Dearness Allowance are the main reasons for large increases under Expenditure.

11. The subsidies to foodgrains and other items of "Expenditure connected with the War" have also added considerably to the expenditure estimates.

12. No useful forecast can be made at present regarding increases in expenditure and although there would be some reduction therein if the proposals made in

this Report are implemented, if past experience is any guide, the succeeding years will again register increases.

13. Annexure IX shows increases in salaries, establishment and contingencies and it will be seen therefrom that any extent of economies under these heads only will not cover the deficit. Economies, therefore, are necessary under other charges the balance being made up by augmenting Revenues.

CHAPTER III

(*a*) Salaries

14. The number of officers which was 726 in 38-39 went up to 1,350 in 46-47 and must be much more now. The cost has gone up from Rs. 33·44 lakhs in 38-39 to Rs. 63·84 lakhs in the current year's Budget.

15. The scales of salaries in the State are not however high as compared with those in the neighbouring provinces, and economies in expenditure are therefore to be secured only by reduction in the number of officers which in several departments is capable of reduction.

16. As generally the jurisdiction of officers in Mysore, as compared to Provinces in India, is smaller, the same may be enlarged and reduction in the number of officers secured thereby.

17. There has been a large increase in the number of additional posts in several departments in recent years and substantial reductions in these are also possible and could be made.

18. To regulate future expansion a small committee may be formed, with the Efficiency Audit Officer, the Financial Secretary and one or two members of the Public Accounts Committee to scrutinise requisition from Heads of Departments for expansion of personnel of their respective departments.

19. The rules suggested by the Bengal Administration Enquiry Committee regarding passing of Efficiency Bar may be adopted.

20. The recruitment of Probationers should be planned and made with reference to the needs of the department and a smaller number recruited at periodical intervals, rather than a large number at one time. Efficient arrangements should also be made for giving these recruits, a regular course of training.

(*b*) ESTABLISHMENT—(*i*) *Superior*

21. Establishment charges which were Rs. 64·51 lakhs in 1921-22 and Rs. 151·63 lakhs in 1938-39 have now risen to Rs. 396·10 lakhs excluding dearness allowance which amounts to Rs. 152·65 lakhs.

22. In view of the existing Budget deficit and anticipated shrinkage of Revenue and the need to provide for development expenditure, it is necessary to secure all possible economies by eliminating all unnecessary or wasteful expenditure including that on establishment.

23. The minimum establishment for each department has accordingly to be fixed after examining the work in each department, although as a rule we may assume 10 files as the average an official can attend to in the course of a day's work. On this basis a *minimum* saving of 12½% on every establishment appears to be possible.

24. Although increase in staff is not a remedy for inefficiency if we should economise in numbers it is necessary to have well trained and competent personnel. We have therefore to make adequate arrangements for the training of the required personnel in each department.

25. An up-to-date Manual for each department should be prepared and made available to every official and each official should have with him a statement of work to be attended to, by him, returns to be obtained, compiled and submitted, and a statement of arrears of work each week, which should be regularly reviewed.

26. Action should be taken to simplify the system of work and procedure in the several departments.

27. A book of powers should be drawn up and every officer enjoined to act up to his powers and not refer papers within his powers of disposal unnecessarily for orders to higher officers and similarly higher officers should not entertain petitions, appeals, etc., that are within the competence of lower officers.

28. The ratio of First Division to Second Division clerks may be 1 : 5 as already prescribed. This should be insisted upon and wherever possible First Division clerks may be further replaced by Second Division clerks, to secure economies.

ESTABLISHMENT—(*ii*) *Inferior.*

29. The number of menials increased from 4,800 in 1922 to 6,200 in 1932 and is now about 12,000. It is

necessary and possible to effect a reduction in this army of servants.

30. Government servants are not intended for domestic work and this principle should be rigidly adhered to.

31. A maximum scale of servants for the several officers and offices as suggested may be fixed and its implementation rigidly enforced. This is expected to result in a saving of at least Rs. 10·00 lakhs per annum.

32. To alleviate hardship to the discharged servants and simultaneously to assist in the grow more food campaign five acres of land out of Amrit Mahal Kaval or Date groves to be surrendered and a suitable loan may be granted to the discharged servants so that they could settle on land and be usefully employed.

(*c*) ADDITIONS TO SALARY—(*Allowances*)

33. The general principles regulating the grant of these allowances have been clearly defined in the Mysore Service Regulations. The difficulty is not so much in respect of the general principles to be observed as in the strict and consistent application of these. The pay or salary of an officer should be deemed to have been fixed after taking due account of the several duties to be performed by him and must also be understood to cover a certain amount of variation in the nature of the duties or its arduousness or both.

34. *Personal Allowance.*—This is in the nature of an addition to pay and its grant can be justified only in exceptional circumstances. It is not a 'Reward' in any sense nor can it be granted for loss of duty or other allowances.

35. *Local Allowance* is granted for unhealthiness or expensiveness of locality. The malnad allowances may continue for expensiveness of locality.

36. *Duty Allowances.*—This is the most abused of all allowances and may be abolished except in cases where the duties involve a decided *addition* to work and responsibilities *and* for the performance of which there is no sanctioned post.

37. *Deputation Allowances.*—This is to be given only in cases where an officer is posted on *special temporary* duty for the performance of which there is no sanctioned appointment *and* the special duty involves a decided increase of work or responsibility. Such deputation should not ordinarily exceed three months when a

new post on suitable pay should be created without these allowances.

38. *Tentage.*—The grant of tentage allowances under the present conditions is unnecessary and may be abolished.

39. *Conveyance Allowance.*—Every Government Officer is expected to maintain a conveyance suitable to his status without claim for a special allowance. This allowance has, therefore, to be given only in cases where Government servants have to move about within a short distance of Head Quarters for which no travelling allowance is admissible.

40. *House Rent Allowance.*—This is to be given only where Government is bound to provide quarters or in big Cities where low paid officials find difficulty in obtaining suitable accommodation. At present only a few departments are getting this concession. The policy should be uniform for all departments.

41. *Multiplicity of allowances.*—This should not be permitted.

42. A statement showing allowances now drawn and what modifications would be necessary if the above principles are adopted is annexed. This will secure saving to the extent of 5·82 lakhs.

(*d*) *Travelling Allowances*

43. It is a fundamental principle that travelling allowance should not be a source of profit and at the same time it should not also tax the slender resources, particularly of junior officers.

44. Economy in expenditure on Travelling Allowance should be secured by regulating the touring of officers according to well-planned programmes, avoiding rapid marches, frequent visits to same places, and frequent returns to headquarters etc.

45. Greater vigilance on the part of controlling officers is needed to enforce the above, and audit also should bring to notice persistent cases of violation. In the case of officers who draw their bills without countersignature the Comptroller may review them in Higher Audit and send a half-yearly report to Government.

46. The practice of local officers keeping attendance on higher officers during the latters' movements in their jurisdiction (except when specifically required) should cease.

47. The system of fixed travelling allowance is good in the case of non-gazetted officers. For gazetted officers,

including Amildars, ordinary travelling allowance—subject to maximum monthly limits—would be more fruitful as no travelling allowance could then be drawn unless they actually tour. Countersigning officers should, however, rigidly check the claims and disallow those in respect of unnecessary journeys, rapid marches, frequent returns, etc. Excess over monthly limits should not be allowed save in very special cases of proved necessity.

48. The number of subordinate officials accompanying officers should be limited to one Steno-Typist ordinarily, unless detailed inspections or investigations are to be made. Full use should be made by the inspecting officers of the local personnel.

49. Special concessions allowed under Appendix "N" of the Mysore Service Regulations may be reviewed.

50. Frequent transfers must be avoided.

51. Engineer officers posted to charge of works at particular localities involving no touring in a limited area need not get Conveyance allowance or Permanent monthly Travelling allowance.

52. Rates for First Class Railway fare may be reduced to 18 or 20 pies per mile and all persons drawing a salary of Rs. 500 and above allowed to travel in the Upper Class.

53. Increased travel facilities may be provided by improvement of conveniences and equipment available at Travellers' Bungalow and making jeeps or cars available at District Headquarters at specified rates.

54. The rules regarding Travelling allowances should be simplified.

(e) Pensions

55. Pension charges are increasing year by year, the charges which were Rs. 21·59 lakhs in 38-39 having now reached Rs. 32 lakhs.

56. As the expenditure on salaries and establishment increases, these charges are also bound to increase although there is a time lag. Where there is a revision of salaries the increases in pension charges will take some time to be felt. Hence the increase in pension charge on account of the recent revision of pay will be felt in the coming years when the pension bill may shoot up to Rs. 50 lakhs.

57. In view of the generally improved conditions of living and the increase in the average life of pensioners and of the fact that most persons pensioned at 55 still retain all their physical activity and mental vigour, the

premature retirement of such officers is a needless charge on the Exchequer. The age of retirement may, therefore, be raised to 58 with an option to Government to retire an officer after 55 on grounds of loss of efficiency.

58. All concessions and departures from the rules regulating grant of pensions should be avoided. There should be no " special cases " and where there are any, the list should be placed before the Public Accounts Committee, a para regarding the same being included in the Audit Report.

59. To prevent pension charges being unnecessarily increased on account of rapid promotions in the last few years of service, the average emoluments for pension may be reckoned for a period of 5 years and not 3 years as at present.

60. The suggestion to have a Pension-*cum*-Provident Fund Scheme with Government and the officials each contributing 1/12th of his pay, the fund being administered by trustees representing each of these and providing for a pension at 55 at present rates, with option to convert 1/4th of it into cash, may be investigated.

(*f*) *Temporary Establishment*

61. It is not desirable to continue temporary establishments as such for long periods. Before they are continued careful scrutiny is necessary and likewise. immediately their need on a permanent basis is established, the temporary posts should be made permanent.

62. The rules regarding conditions of service of temporary employees should be simplified.

63. The *Deputation* of permanent staff for temporary duties is overdone and should be avoided.

(*g*) *Leave*

64. The leave rules should be simplified so as not to involve unnecessary extra cost.

65. Salary during leave on full ' pay ' should be fixed at 1/12th of the average emoluments drawn during the previous one year.

66. No acting arrangements need be made ordinarily during leave of less than one month's duration.

67. No charge allowance should be paid for periods of less than two weeks.

(*h*) *Financial responsibility of Disbursing Officers*

68. No amount of Audit checks can replace the scrutiny of departmental officers. A high standard of financial morality and devotion to the financial interests of the State should be impressed on every officer.

69. All Disbursing Officers should be familiar with Financial and Accounts rules.

70. Absolute insistance by every disbursing and sanctioning Authority of the fundamental canons of financial propriety should be enforced.

(*i*) *Holidays and Hours of work*

71. Considering the improvement in the scales of pay and the hours of work in Factories, and commercial houses and in the Indian Provinces, the hours of work in our offices also may be altered and all offices made to work from 10-30 A.M. to 5-30 P.M. with a suitable interval, the office being closed at 2 P.M. on Saturdays.

72. Holidays in Government offices should be the same as in commercial concerns. No holiday need be given on Penultimate Saturdays.

CHAPTER IV

Contingencies and other Charges

73. To secure economy in Government expenditure a reduction of 20 to 30 per cent may be effected in the grant for each department.

74. In Bangalore, Government lorries may be used for carting treasure and for movement of office records etc.

75. Lunch charges should be avoided as far as possible, lunch at Government expenses being provided only in very rare instances. Following the practice in other provinces free lunch need not be provided at Representative Assembly and Legislative Council meetings.

76. A reduction in the large amount now being given as house rent should be secured by building wherever possible cheap quasi-permanent structures for locating Government offices and by making use in the best manner the accommodation now available in the several offices, A committee to scrutinise the accommodation now available and its use in the best possible manner may be formed.

77. Unnecessary Telephones given to Government Officers at their residences may be removed. The concession of giving Trunk calls free should be abolished or at least restricted. A committee may be formed to advise Government in this matter.

CHAPTER V

1. Land Revenue

(*i*) *Receipts*

78. In spite of the phenomenal increase in the prices of agricultural produce including foodgrains, there has been no increase in the rates of assessment and although the revision of settlement has been overdue in 27 taluks this has not been taken up, thus causing avoidable loss of revenue to Government. The revision work may immediately be taken up and in the meanwhile a temporary surcharge of 33⅓ per cent may be livied on all items of Land Revenue.

79. The revision of water rate in Irwin Canal is overdue and in spite of the large increases in prices of agricultural produce and the increased cost of maintenance of irrigation works, the water rate has not been raised and water rate is now levied at a flat rate irrespective of the kind of crop raised. This does not appear to be correct and there is no reason why commercial crops should not be made to pay a higher water rate. It is, therefore, proposed that the water rate should depend on the crop and the following rates are suggested:—

(1)	Sugarcane or other commercial crops including gardens.	Rs. 40 per acre per annum.
(2)	Paddy	Rs. 20 per acre (per crop).
(3)	Irrigated dry food crops such as ragi or crops for which only one irrigation per month is given.	Second crop Rs. 10 per acre. Rs. 5 per acre.

This revision will yield an additional revenue of Rs. 13 lakhs. The same rates may be levied under Marconahalli, Vani Vilas Sagar and such other large reservoirs built at heavy cost and ensuring a permanent water supply.

80. Similarly under tanks where we have now a consolidated assessment the dry rate and water rate may

be separated and the present water rate (difference between wet and dry rate) enhanced by 50 per cent.

81. The lands released from Date Grove lists and Amrit Mahal Kavals should be divided into suitable blocks and sold early. This will give at least an additional (non-recurring) revenue of about one crore of rupees by sale of lands and a recurring addition to Land Revenue of about Rs. 3 lakhs. This would also be a good anti-inflation measure.

82. The rate of assessment on coffee and cordamom lands may be raised from Rs. 1–4–0 to Rs. 2–0–0. This will bring in an additional Revenue of Rupees one lakh.

83. Stamp duty on stamps attached to petitions may be raised from anna 1 to annas 2 and the rate raised to rupee one in all cases where the law requires 12 annas stamps to be affixed. This would fetch an additional revenue of about half a lakh of rupees.

(ii) Expenditure.

84. The posts of Additional Assistant to the Revenue Commissioner, Special Officer for grant of lands to Military Personnel and the Personal Assistant to the Deputy Commissioner, Shimoga, may be abolished. The post of Special Land Acquisition Officer, Bangalore, and his establishment may also be disbanded immediately.

85. The post of Revenue Sub-Division Officer cannot be abolished as he serves as an important link in the Revenue administration. In view however of the fact that with the removal of Income-tax and Excise work from him, he will not have full-time work, he may be entrusted with the work relating to Rural Development and uplift of Depressed Classes in the areas under his jurisdiction and the posts of District Development Officers and Special Depressed Class Officers retrenched, the Sub-Division Officer being the *ex-officio* District Development Officer and Special Officer for Depressed Classes for his Sub-Division. Incidentally this will also effect some savings in staff.

86. The number of Districts, Taluks and Hoblis may be reduced. The taluks may be reduced to about 50, each taluk having six hoblis and a population of about 1½ lakhs. The number of hoblis may also be reduced each hobli having at least sixty villages. The reduction in taluks will enable also a reduction of at least six Sub-Divisions. Pending decision on this, some of the

lighter taluks and Sub-Divisions may be immediately retrenched.

87. The post of Manager in the Revenue Commissioner's Office may be retrenched and a cut of 12½ per cent in the staff of that office effected. Similarly a reduction of 12½ per cent in the taluk establishment may be made. As regards the District Establishment, the posts of Head Clerk, Judicial Record-keeper and L. S. G. clerk may be abolished.

88. The reduction in the strength of menial staff may be enforced in accordance with the scale suggested in Government Circular No. Fl. 89-165—G.F. 206-47-22, dated the 1st July 1948.

89. There may be two grades of Amildars—one on Rs. 150–200 and the other on Rs. 225-300, the proportion of 1st and 2nd grade appointments being 2:1.

90. The allotment under Travelling Allowance may be reduced by Rs. 50,000 and under contingencies by 10 per cent.

91. The present mode of Revenue collection and maintenance of accounts requires to be improved. The outmoded system of Jamabandi may be abolished and the annual demand fixed in a simpler and more accurate and scientific manner. The question of having stipendiary and whole-time village accountants with larger jurisdictions requires detailed examination.

(iii) Krishnarajasagara Irrigation Works, Revenue, Arrears of water rate and contribution

92. Immediate action should be taken to verify the Comptroller's and departmental figures regarding Demand, Collection and Balance of Irwin Canal Water-rate and contribution; The arrears of collection under both these are very heavy and special action is necessary to recover the same.

93. The interest on arrears of contribution should be credited to XXV—Krishnarajasagara Irrigation Works Net Receipts—Interest on arrears of Revenue and not to capital account.

94. The reduction in the acreage under command due to the introduction of the two furlong zone should be verified.

95. The maintenance expenditure under channels should be reduced.

96. Fruit, flower and manure trees should be raised on channel bunds so as to augment our Revenues and reduce the cost under maintenance of channels.

(iv) Special Land Acquisition Office, Bangalore

97. The statistics show that there is no full-time work for an officer. This work may be attached to Sub-Division Officers who have been relieved of Income-tax work.

(v) Civil Liaison and Surplus Stores Disposal Establishment

98. The staff given to the Revenue Commissioner for this work may be considerably reduced. Two clerks and 3 peons may be retrenched and the D. A. of Rs. 50 given to the Revenue Commissioner's Assistant also abolished.

99. Considerable retrenchments are also possible in the Civil Office, Bangalore. The posts of Special Sheristedar, one clerk and one Special Surveyor may be abolished. The posts of Liaison Officers may also be retrenched.

100. The entire additional establishment given to the Deputy Commissioner, Kolar, for this work may be retrenched.

101. A large portion of the establishment given for Surplus Disposal could also be abolished. Three surveyors and three peons could immediately be retrenched as also one clerk, one Sub-overseer and one peon under the establishment of the special officer.

(vi) Land Records and Survey

102. It is unnecessary to have a whole-time Commissioner for this department. The Revenue Commissioner may be made *Ex-officio* Commissioner with a Deputy Commissioner in direct charge of the department. The number of District Officers may also be reduced by increasing the jurisdiction of officers.

103. The basic staff required may be fixed as noted below :—

	Existing	*Proposed Basic Staff to be made permanent.*
Ministerial ...	297	240
Executive ...	381	141
Menial ...	139	46

(These suggestions have been made after detailed inspection of the Office).

104. With regard to the District Staff, Revenue Inspectors with suitable training may be asked to look after 'Mutations' and 'phod' work, one Surveyor being given to each taluk so that between him and the Revenue Inspector all cases are attended to. The surplus men may be organised into 9 batches and put on the work of completing the arrears of 'Hissa' and 'Phod' according to the standards allotted to them by the department, the work to be completed within 15 months.

105. Re-settlement work is also overdue and this should be taken on hand, a programme of resettlement being drawn up and the surplus men put on these jobs. Similarly, the Inam Survey should also be undertaken with the help of surplus men.

106. In view of the increased expenditure the rates of fees now levied may be enhanced as suggested for adoption in the detailed note. This will bring in an additional Revenue of Rs. 75,000.

2. Forest Department

(*i*) *Revenue*

107. The market for Sandalwood billets should be exploited and additional revenue secured. A sum of at least two lakhs of rupees may be anticipated from this source.

108. The rate for supply of bamboos to the Paper Mills may be raised *by* Rs. 5 per ton. This is expected to bring an additional revenue of Rs. 40,000.

109. Seigniorage rates on the following may be raised :—

(*a*) Fuel from 10 annas to Re. 1 per cart-load.

(*b*) Dry Fuel from 6 annas to 10 annas per cart-load.

(*c*) Charcoal from 2½ annas to 4 annas per bag.

110. The lease period for Thangadi contract may be raised from 2 to 3 years. This is anticipated to bring in proportionately larger revenues.

111. The capture of elephants and sale may be made a regular feature both in order to earn revenue and to prevent depredations by wild elephants. This may be expected to bring a revenue of Rs. 20,000 annually.

112. Efforts to increase revenue under minor forest produce should be made, one of the steps being to try, collect and sell these departmentally. This may be tried in the Hassan District in the first instance.

113. The execution of Postwar Development Schemes may be modified as suggested in the detailed Note.

(ii) Expenditure

114. While the increase in Revenue is mainly on account of increased prices which are likely to come down, there have been substantial increases in expenditure.

115. The following economies in the technical staff are suggested. Revision of the pay of Chief Conservator to the old scale, abolition of the post of Conservator, reduction in the number of Forest Divisions by 3, abolition of the post of Technical Officer to the Chief Conservator, abolition of 12 posts of Sub-Assistant Conservators, reduction in the number of Rangers by 12 to 14 and 12½ per cent reduction in the posts of forest guards.

116. The posts of veterinary officers in the Elephant Establishment may be abolished. The nearest veterinary officer being asked to look after these as part of his routine work. Where a large number of Elephants are employed veterinary stockmen may be trained and employed to look after the elephants.

117. The special Hospital at Thadasa may be abolished and handed over to the department for maintenance.

118. Clerical establishment as per details in the note may be reduced.

119. The number of Surveyors and Draftsmen may be reduced by two each.

120. A small committee with a senior Audit Officer may be appointed to examine the rates now allowed for several departmental items of work and also for simplification of procedure, reduction of terms etc., considerable economy may be possible as a result of the labours of this Committee.

(iii) Saw Mills

121. The Saw Mills should not ordinarily be utilised for sawing timber which will secure higher prices in the auction than after being sawn. The restriction above need not apply for the timber required for manufacturing building materials on a large scale which should be also one of the important items of business of these mills.

122. The expansion schemes of the Saw Mills should be taken up at once both in order to popularise

timber species not now in use and to produce on mass scale standard door and window frames, trusses, cheap furniture for schools, etc.

123. There appears to be no need to run the Saw Mills as a Government concern. It may be converted into a Joint-stock Company with Government having a predominent interest.

3. Excise

124. Prohibition work may be entrusted to the Police Department and if this is done the Excise establishment in the districts where prohibition is introduced could be disbanded and ultimately when prohibition work is extended to the whole State the staff employed on Excise work both in the districts and in the Central office could be disbanded. The question of additional staff to the Police department on this account may be considered separately, but as that department appears to be already heavily overstaffed, it should be able to find the additional staff required for enforcing prohibition from out of its existing personnel without any extra cost.

125. There is no need for a Second Assistant to the Excise Commissioner.

126. There is no need for District Excise Officers and the subordinate Excise staff in the prohibition districts. These may be disbanded at once. Any excise work remaining to be attended to may be done by Revenue Sub-Division Officers. If absolutely necessary, one District Excise Officer may be allowed to attend to the excise work in all the three districts.

127. In the other districts, for Hassan and Chickmagalur there may be District Excise Officers but their pay may be charged to Coffee Excise Duty Collections. Similarly for Bangalore, Mysore and Mandya, there may be full-time District Excise Officers whose pay may be charged to Tobacco Duties. The D. E. O. at Shimoga has no continue till Prohibition is introduced in that District.

128. Consequent on introduction of prohibition in the three districts of Kolar, Tumkur and Chitaldrug, there should be some reduction possible in the staff in the Excise Commissioner's Office. The following reductions are suggested:—

As there are senior clerks provided for the Office and there is also an Headquarter Assistant, the post of Manager may be abolished;

2 First Division clerks and
3 Second Division Clerks may also be abolished consequent on reduction of work.

When complete prohibition is introduced the position has to be further reviewed.

129. Regarding excise duties, it is understood that the basis of allocation is still under discussion with the Government of India.

130. The question of imposing an Excise Duty on Foreign Liquor (in addition to the customs imposed by the India Government) appears to deserve consideration.

3-A. Income-tax

131. Since the department has been recently reorganised and Sales-Tax work also is added on, the question of effecting economies in respect of the existing staff has to be considered along with the additional staff required in connection with Sales-Tax work and only the minimum staff employed; but it should be seen that maximum efficiency is secured by recruiting only well-qualified officers specially trained in the work of the Department. The reduction of menial staff by 8 Duffedars and 7 peons out of the existing establishment agreed to by the Commissioner may be given effect to, the surplus men being absorbed in the new Sales-Tax establishment.

132. Deputy Commissioners of the Revenue Department on higher pay need not be posted against the posts of the Deputy Commissioners of Income-Tax which carry a lower pay.

133. The rates of tax may be stepped up to about the level in force in the Indian Dominion, at least in respect of incomes above Rs. 10,000 per annum.

134. In order to prevent leakage and to tone up the administration an Inspecting Officer may be appointed, but he should be a Senior and very competent officer.

135. Steps should be taken to speed up assessment work which is heavily in arrears—as also collections.

136. Early action should be taken to amend the law here so as to bring it generally in line with that in the Indian Dominion.

137. The question of the Gold Mining Companies changing their Headquarters from Great Britain to India, so as to avoid payment of British Income-Tax should be pursued.

138. Gold should be refined at Bangalore instead of at Bombay and gold sales effected in Bangalore. This will give us the benefit of Sales Tax on gold and also increase our Income Tax revenue.

139. Government Industrial concerns may, wherever possible, be converted into Joint-Stock Companies with 60 per cent Government Interest and Income-Tax levied on their profits.

140. The profits of the business of the Public Branch of the Government Life Insurance Department may also be subjected to Income-Tax—suitably amending the Law so as to enable this being done—so that the general revenues also may be benefited to some extent by this business.

3-B. Miscellaneous Taxes

141. According to the existing arrangements between the Government of India and the participating States the rates are fixed by the Government of India and the Revenues realised are pooled and the net proceeds shared as per proportions fixed in each case, the maximum which the State could retain having been however fixed in the case of sugar. The Revenues which the State gets out of these duties depend largely on the policy of the Government of India with regard both to the levy of duties and the rates. These taxes account now to 10 per cent of our Revenue and any alteration in these rates will have a corresponding repercussion in our finances. It is understood that the entire question is under discussion with the Government of India.

142. With larger production of Power Alcohol an increase in Revenue may be expected and we may anticipate an additional Revenue of Rs. 50,000 to a lakh on this account.

Sales-tax

143. The Mysore Sales Tax Act is modelled on that of the Madras General Sales Tax Act, 1939, as modified. It provides for multiple taxation while that in Bombay is a single point levy at the last stage, when sold by registered dealers to consumers. Alterations in rates and in the exemptions now given can give us increased Revenue if and when needed.

4. Stamps

144. To avoid payment of unnecessary Commission only stamps below the value of Rs. 50 may be sold through vendors the rest being sold by the Treasuries only.

145. The procedure of affixing two or more stamp papers of lower denomination where higher ones are available, should be discouraged.

146. The rates for General and Court fee stamps may be raised to the Madras level.

147. A general reduction of 12½ per cent in the Establishment may be effected.

Entertainment-tax

148. The rates may be raised or in the alternative a surcharge may be levied, the entire surcharge being appropriated for Revenue purposes.

5. Registration Department

149. Retrenchments to the extent of about Rs. 8,700 per annum may be made in the Head Office.

150. The rates of fees may be raised to those in the Civil Station.

Assigned Tract Revenue

151. With the handing over of the Civil Station to Mysore, the surplus Revenue of the Assigned Tract that was being handed over to us will cease. With the introduction of Prohibition and Mysore Rates of Income and other Taxes in the Civil and Military Station, the Revenues also will go down enormously while the expenditure will continue. It is therefore necessary that the expenditure items relating to the Civil Station are scrutinised with a view to securing the maximum economy possible therein.

7. Department of Mines and Explosives

152. Economies to the extent of about Rs. 6,000 per annum have been proposed in this Department.

Duty on Gold

153. The Revenue from Duty on Gold is uncertain depending as it does on the price of Gold and the quantity sold. It is also understood that the rules regarding levy

and refund are under revision. A reduction in Revenue of atleast Rs. 50 lakhs on this account may be anticipated.

154. The shifting of the Head Quarters of the Company from United Kingdom to Bangalore will save Government the Taxes on Income now being paid unnecessarily in United Kingdom.

155. Similarly by arranging for the sale of Gold in Bangalore itself instead of in Bombay we will be getting more Revenue to Government from Sales Tax and Income Tax. (*Vide* also paras 137 and 138).

8. Sinking Fund

156. The contribution now being made for sinking Fund is inadequate. If the fund should have enough balances to liquidate all the loans as they fall due a very much larger annual contribution would have to be made. The present contribution should be increased immediately the Revenue position admits of the same.

9. Interest on Debt

157. If any further loan is floated, increased provision for payment of interest would have to be made under this head and to this extent the Revenue position would get worsened.

Interest on other Obligation

158. The reduction of Interest on State Life Insurance Fund and Provident Fund balances will give a saving of Rs. 2 lakhs in expenditure.

159. Increase in rates of Interest on Savings Bank, Fixed Deposit, etc., and increases in the balances under these by any "Savings Drive" that may be undertaken will however increase Interest charges.

11. Palace

160. The provision of Rs. 3 lakhs for non-recurring expenditure has been omitted.

12. General Administration

(i) *Staff and Household of His Highness the Maharaja.*

161. The Private Secretary to His Highness the Maharaja of Mysore has suggested certain reductions in

establishment involving a saving of Rs. 3,120 per annum which may be accepted.

(ii) *Dewan and Ministers*

162. A saving of about ·75 lakh may be anticipated under this head consequent on savings that could be effected under Salaries, Contingencies and Other Charges.

(iii) *Mysore Legislative Department*

163. In order to secure economies one post of I Division clerk employed as a Librarian may be retrenched. Instead of employing an Accountant of the Comptroller's Office, an ordinary clerk may be appointed, as the accounts of this office are not complicated. The Reporters will not be required in the present strength throughout the year. Three English and two Kannada Reporters may be reduced. The number of menials is also capable of reduction.

164. The expenditure on contingencies may be reduced by Rs. 2,000 per annum.

165. Lunch is not provided at Government expense nor are any allowances paid in lieu thereof in other Legislatures. By adopting a similar practice we could save about Rs. 25,000.

166. The question of levying suitable rent for the accommodation provided to the members of the legislature may be considered.

(iv) *Civil Secretariat*

167. The total expenditure which was Rs. 4·69 lakhs in 1938-39 is now Rs. 9·96 lakhs partly due to large increases in the staff and partly to revision of pay.

168. There has been an increase of 3 Secretaries since 1939 excluding Secretary for Railways. The posts of these three Secretaries may be abolished.

169. The number of Assistant Secretaries is now 20 against 10+2 *ex-officio* in 1939. At least 5 posts may be abolished.

170. With the increase of pay of Superintendents more powers may be given to them and the posts of Assistant Secretaries further reduced.

171. The number of Branches may be reduced thus enabling reduction in the number of dairyists, miscellaneous clerks, servants, etc.

172. Pending working out of details a 12½ per cent cut in the number of clerical and menial staff may be effected.

173. The grant under Travelling Allowance and Contingencies may be reduced.

174. The grant for Constituent Assembly which is a special item may be omitted in the coming years.

175. A Committee of Senior Officers with the Financial Secretary and Efficiency Audit Officer may be appointed to examine and suggest measures for simplifying the procedure and reducing the work in the Secretariat.

(v) *Public Service Commissioner*

176. There is no need for a Manager for a small office like this when there is a Secretary of the status of an Amildar. The menial establishment may also be reduced. These will secure a saving of about Rs. 4,000 per annum.

177. The Public Service Commissioner proposes the levy of fees on applications from candidates. The rates proposed appear rather high. This may be reduced. Even at the reduced rates this will fetch an income of about Rs. 10,000 a year.

(vi) *Comptroller's Office (Civil)*

178. The Comptroller is responsible for the efficient audit of Expenditure in the State and for the compilation of accounts. In a sense, he performs also the functions of the Auditor-General and prepares the Public Audit and Appropriation Report. He also attends to "Higher Audit."

179. The audit of Revenues is not, however, the function of the Comptroller and this devolves on the Heads of Departments concerned. At present, in every department there is considerable difference between the collections as per the Comptroller's accounts and departmental figures and in many cases no serious attempts to reconcile these appear to have been made. There is also no separate check to see that Revenue demands are properly raised, and collected and that there are no leakages. It is therefore suggested that this work is regularly done and the Efficiency Audit Officer may be asked to look into this.

180. With regard to expenditure, the correctness of the initial accounts is very important and the Comptroller

reports that most spending departments have no "audit conscience" and are not controlling the expenditure with the care expected of them. It is necessary in the interests of the State that departmental officers are required to give proper and adequate attention to this. Regarding economies in expenditure, the Comptroller refers to the very heavy arrears in his office, which it is not possible to clear with the available staff. In fixing the establishment required, however, the arrears and current work may be separated, additional staff being given, if necessary, for the clearing of only such portions of the arrears that require to be attended to. A basic minimum staff for current work has to be fixed. The dispersion of the Audit Office over several buildings has also seriously affected the efficiency of this office. A proper layout of the office is necessary to secure efficiency and for this purpose, it is essential that the entire staff is located in one building instead of being scattered over several buildings as at present.

181. Regarding immediate economies in expenditure, it is suggested that by a suitable redistribution of work, two posts of Assistant Comptrollers (including the post of Assistant Comptroller for Revision of Codes) may be reduced.

182. The reorganisation of the Audit of Industrial Concerns will also enable at least three places of Assistant Comptrollers engaged therein being retrenched.

183. By a suitable re-distribution of the work, the number of Superintendents may be reduced by eight.

184. With regard to the I and II Division Clerical Staff, the Comptroller's suggestion that the number of second grade clerks should be fixed only after verifying the amount of work of an unintelligent and mechanical nature that is to be done in that department, may be accepted, and an Expert Committee consisting of the Public Service Commissioner, the Financial Secretary, the Comptroller and the Efficiency Audit Officer and one or two others may be formed to go into this question and fix the staff. A reduction in the number of clerks appears possible. The work also may be reduced by curtailing items of mechanical audit now being done and by simplification of work. This may also be examined by this Committee.

185. In order to enable lower qualified officers being employed and maintain efficiency at the same time, an intensive course of training may be arranged for the

recruits before they are employed in this office. A Training Class for this purpose with suitable stipends being awarded during the period of training should immediately be opened, the candidates being assured of employment after a period of successful training. Keeping the communal ratio in mind, the best candidates should be selected for such training.

186. The Comptroller is agreeable to increase the daily working hours. This is a general question affecting all departments.

(vii) *Railway Audit Office*

187. The Auditor states that now-the absence of the category of Accountants has weakened supervision. This requires examination. As the audit of Revenues in this department is most important, there should be no slackening in this behalf due to want of proper staff.

188. The percentage of Audit charges in our Railways is very high and may be partly due to a correspondingly less mile earnings. This has to be examined.

189. The proportions of I Grade Clerks is high. The Expert Committee suggested for the Comptroller's Office may examine this office also and make suitable suggestion regarding simplification of work or procedure and economies in establishment.

(viii) *Electrical Audit Office*

190. With a view to simplify the audit procedure and to determine the minimum staff necessary after cutting out all unnecessary work, a Committee may be appointed consisting of the Efficiency Audit Officer, the Comptroller, the Auditor and the Chief Electrical Engineer to scrutinise the work in several branches of this Office. Pending the report of the proposed Committee, the additional staff sought for by the Auditor need not be sanctioned.

191. The Superintendents may be delegated with some more additional powers to relieve the Gazetted Officers of their routine work to a large extent enabling them to concentrate on essential matters.

192. The post of extra Assistant Comptroller sanctioned for local inspections may be abolished, the local inspection work being done by the Auditor with the help of a Superintendent.

193. Four posts of Superintendents may be abolished resulting in a savings of Rs. 11,000, the work being

attended to by the existing I Grade Clerks, an additional II Grade Clerk being given for Mysore Power and Lighting.

194. As suggested by the Auditor, 82 posts of I Grade Clerks may be converted into II Grade posts.

(ix) *Education Audit*

195. The audit in this department being of a mechanical routine nature some relaxation in the pre-audit and post-audit done appears possible. For the same reason the proportion of I Grade Clerks may be reduced. This question may also be examined by the Expert Committee proposed for the Comptroller's Office.

(*x*) *Public Works Audit Office*

196. The Auditor complains of heavy arrears due to *want of staff* and difficulty in filling up vacancies. This is due to most of these places being in the I Division, the paucity of backward class graduates and their unwillingness to join for want of opportunities for rapid rise.

197. An analysis of the work shows that there is no need to have so many places in the I Division and that a proportion of 40 : 60 may be maintained between the I and II Divisions. All these men should, however, be given intensive training and should know their jobs. The re-classification of appointments as above will result in a recurring saving of Rs. 67,800 per annum. With properly trained men the strength in the Audit Office may also be reduced by 12½ per cent. An immediate reduction as under may however be made.

One Assistant Auditor—A Chief Superintendent would do in his place.

Seven posts of Superintendents may be converted into posts of First Division Clerks.

(xi) *Commissioner for Refugees*

198. In view of the reduction in work and as the rehabilitation measures relate mostly to starting of co-operative societies, granting loans, building of houses etc., this work may be attached to the Registrar of Co-operative Societies with a small clerical staff and the present office closed down. The existing central committee with its sub-committees may however be continued.

13. Muzrai Institutions

199. Since there is a separate post of Manager for the Muzrai Commissioner's Office, the post of Head Clerk is unnecessary and may be retrenched.

200. The work of ledger-posting now being attended to by two II Division Clerks may be discontinued as the same work is stated to be done in the Comptroller's Office. These two posts may therefore be retrenched.

201. The post of Surveyor may be retrenched as there appears to be no necessity for a whole-time Surveyor in this Department.

202. The question of treating this office as a Section of the Revenue Commissioner's Office and placing one of the Superintendents of that office in charge of the Muzrai Section, may be examined. This will render the present post of Manager (Muzrai) superfluous which could then be retrenched.

203. There is no justification for having a Duffedar for the office and this post as also that of one peon may be abolished.

204. There may be scope for effecting some economies in the administration of the Maharaja's Sanskrit College at Mysore, Sri Chamarajendra Veda Mahapatasala at Bangalore and the Sanskrit College at Melkote. As these institutions are of a special type, the question may be examined separately.

205. While giving grants for repairs to Muzrai Institutions, we may insist on at least half the estimated cost of repairs being contributed by the devotees or by the Funds of the Institution or by both. The annual grant for this purpose may be limited to Rs. 1 lakh.

14. Scientific and Miscellaneous Departments

(i) *Geological Department*

206. There is no need to increase the ministerial establishment in the Director's Office and the Divisional Offices, and to provide additional typists to these offices. By a suitable re-adjustment of work, one of the I Division posts in the Director's Office may be converted into that of a steno-typist and one other clerk also released for charge of the Museum, Records, etc.

207. Regarding the Divisional Offices, the work does not justify two clerks. One Typist-Clerk and a literate Attender would be more than enough.

208. Reduction in the Gazetted staff may be secured by shifting the Headquarters of the Bangalore Division from Tumkur to Bangalore and using one of the Assistant Geologists attached to that Division to attend to the duties of Technical Assistant to the Director also. One post of Geologist (present Technical Assistant) may be retrenched.

209. There is no need for a Manager for the Director's Office. The seniormost clerk may be styled Head Clerk and his pay revised or an allowance given to him. The post of Manager may be retrenched, a Second Division Clerk being given in his place.

210. The temporary post of Assistant Geologist at headquarters may be abolished.

(ii) *Meteorological Department*

211. The allotment under Contingencies and Other Charges may be reduced to Rs. 2,000 (from Rs. 2,500 at present allowed.)

(iii) *Archæological Department*

212. The designation of the Officer now acting as Director may be changed to Archæologist on a grade pay of Rs. 250--40/2—450 or Rs. 300—40/2– 500, a Committee of Experts with the Vice-Chancellor as Chairman being appointed to guide the working of the department. Reductions in menial staff and Travelling Allowance are also possible. The savings on this account may be about Rs. 4,700.

213. The Director suggests that the Revenues may be augmented by publication of descriptive booklets regarding some of the famous monuments in Mysore, printing and sale of picture post cards of famous sculptures, temples, monuments, etc., and development of tourist traffic. He also suggests preparation and publication of Guides to places of historical interest. These proposals deserve consideration both from the financial and propaganda points of view.

16. Stationery and Printing

(i) *Stationery*

214. There has been a large increase under cost of printing paper and stationery mainly due to increased cost of paper and issue of paper for printing text-books.

215. The allotments on account of paper required for text-books should be kept separate from that required by Government departments. The accounting of the cost of printing text-books and realisation by sale should be kept on a commercial basis.

216. For want of light weight paper more costly paper is being used. This should be stopped. Newsprint may be used wherever possible in lieu of costlier paper.

217. The temporary staff may be continued for another year, but on a reduced scale.

218. Misuse of Forms and Registers should be avoided and departmental officers should be enjoined to see to this.

219. A saving of Rs. 2,000 may be effected on Contingencies.

220. A saving of Rs. 2 lakhs in the grant for purchase of paper may be anticipated when price of paper goes down. An immediate saving of Rs. 50,000 may be anticipated by use of cheaper paper. An increase of one lakh of rupees under Receipts from paying departments may be provided for as the present anticipations are an under-estimate.

(ii) *Government Press, Bangalore*

221. No work-loads are fixed in most of the branches and where it is fixed the required turn-over is not being realised. If work as per work-loads is insisted upon and work-load fixed for the several items of work, considerable reduction in the establishment is possible.

222. To secure more labour and of the proper type, a training class may be started in the Press, the same being properly co-ordinated with the class in the Occupational Institute where a higher type of training is being given.

223. The introduction of a bonus system of payment for extra work may also give proper incentive for people to turn out more work.

224. The double shift system should be introduced in the Press in order to get a better turn over.

225. *Mysore Gazette.*—The increasing expenditure under *Mysore Gazette* could be considerably reduced if cheaper paper could be utilised for this purpose.

226. The rates for the advertisements in the Gazette may be increased thus securing an additional revenue of about Rs. 10,000.

227. *Text-Book Printing.*—It is a matter for consideration whether instead of getting all text-books printed at the Central Press, it would not be desirable to have a Branch Press located at a mofussil but centrally situated place like Arsikere, where in addition to text-book printing, the printing of all other matter giving continuous work may be transferred. The Mysore Press may also be suitably expanded.

228. *Purchase of Machinery, etc.*—Regarding future purchases of machinery and types, a statement of capital equipment now available and how much of it is being used and what additions are necessary, etc., has to be prepared and scrutinised, the further grants being limited to the minimum requirements only.

229. *Residency Press.*—The Residency Press may be merged in the Central Press. The post of Manager may be retrenched and the remaining staff amalgamated with the Government Press.

230. About 6 posts in the ministerial establishment may be retrenched by a suitable re-distribution of work therein. Further reduction in staff could also be made easily if the hours of work for the clerical staff are altered so as to correspond with the working hours of the Press.

17. Miscellaneous

(i) *Miscellaneous Establishment*

231. The whole sub-head may be deleted by taking action as suggested, by transfer or deletion of the expenditure now provided under the several items.

(ii) *Broadcasting Station*

232. A 10 per cent cut on programme expenditure can be effected. The proposed purchase of a car may be postponed and expenditure on maintenance of the garden reduced.

233. The non-recurring expenditure on purchase of equipment may be reduced from next year to Rs. 50,000.

(iii) *Stores Purchase Committee*

234. There is no need to add to the staff of this office as suggested by the Secretary. The work has to be rationalised and additional powers given to the Secretary.

235. The delay in acceptance of tenders and payment of bills which appear to have shut out competitive tenders should be avoided.

18. Courts of Law.

236. While there has been an increase in the number of Courts, the number of institutions in recent years has considerably decreased. The number of Munsiffs' Courts, may, therefore, be reduced from 30 to 20 and the Subordinate Judges Courts from 12 to 9.

237. The High Court while agreeing that reduction in the number of courts by a suitable redistribution of work is no doubt desirable, consider that the matter requires detailed and authoritative examination which may take some time. Such an examination may be arranged for immediately, but at the same time in view of the urgent need for economy the reductions suggested may be effected immediately.

238. The courts in the Civil Station may be amalgamated with those in the City and the total number of courts reduced. At least one Magistrate's Court, the Sub-Judge's Court and the District Judge's Court may be abolished.

239. The District and Sessions Court at Mysore need not be continued beyond its present term which expires on the 31st December 1948.

240. The feasibility of reducing the number of Judges in the High Court, at least till our financial position improves, may be considered.

241. As regards the ministerial staff, there seems to be considerable scope for reduction in the number of Superintendents and other staff in the High Court. The posts of two clerks sanctioned for inspection work could be retrenched and two more clerical posts which are at present vacant need not be filled up. The audit by the staff of the Accounts Department should continue. This work cannot be entrusted to departmental men.

242. Generally, a reduction of 20 per cent in the staff of the High Court is suggested and the High Court may be requested to secure this by suitable re-adjustments.

243. There is no need to have a District and Sessions Judge as the Registrar of the High Court. This post may be held by a Subordinate Judge as before. The feasibility of retrenching the post of the Deputy Registrar, who is a needless intermediary between the Office and the Registrar may also be considered.

244. According to the scale of menials recently fixed by Government, the number of menials admissible to the High Court will be about 44 as against 53 now

employed. Nine posts of peons may be retrenched. Regarding menials in Subordinate Courts the reduction may be made in accordance with any general order Government may issue regarding reductions of menials in all offices.

215. In the Subordinate Courts a general reduction of 12½ per cent in the subordinate staff may be secured by suitable re-adjustments.

246. While there has been a progressive increase in the expenditure incurred on the process service charges, the receipts in recent years have gone down. The proposal of the High Court to retrench the staff effecting savings to the extent of Rs. 21,600 ultimately, may be accepted but as this does not go far enough the rates of process fees should be suitably enhanced so that the expenditure on this account may be fully covered by the fees recovered.

247. The rates for court fees may also be raised to the level obtaining in the Indian Dominion.

248. The High Court may be requested to secure a reduction in the number of telephones at residences.

249. The Chief Justice may be requested to examine the need for a building exclusively for his residence all the year round at Mysore.

250. The provision in the departmental budget under Contingencies for 1948-49 may be reduced from Rs. 49,600 to Rs. 40,000 and the provision under travelling allowance be reduced by Rs. 8,000.

251. It is also suggested that with a view to secure some reduction in the strength of staff, the existing hours of work (11 A.M. to 5 P.M.) of the High Court as well as of the Subordinate Courts may be changed to 10-30 A.M. to 5-30 P.M.

19. JAILS

252. There is no need for a full time post of Inspector-General of Prisons and that post may therefore be abolished.

253. The posts of 60 warders, 6 head warders and 9 ministers may be retrenched.

254. A saving of Rs. 20,000 could be secured by speedier disposal of cases thus reducing the period of stay of undertrial prisoners.

255. The sanctioned scale of diet may be re-scrutinised and economies effected.

256. Food required by the Jail may be grown with the help of the prisoners suitable agricultural plots being laid out. Similarly clothing.

257. The receipts from jail manufacture should be increased.

20. Police Department

258. The expenditure in this Department has increased from Rs. 21·7 lakhs in 1938-39 to Rs. 98·04 lakhs in 1948-49. The strength of the executive has increased from 6,810 in 1938-39 to 11,397 now. The number of offences reported was however less till 1945-46 and shows only a slight increase now. The number of persons dealt with has increased from 50,079 in 1938-39 to 64,177 in 1946-47.

259. As Government has appointed a departmental Committee for suggesting retrenchment, a detailed examination of the department has not been made.

260. Broadly, a basic scale based on 1938 may be provided with suitable additions for the extra police required for additional developments.

261. The posts of Deputy Inspectors-General of Police appear unnecessary. Deputy Commissioners should continue to be heads of the District Police.

262. The number of Superintendents and Assistant Superintendents of Police could be reduced.

263. Expenditure on travelling allowance and contingencies should be reduced. The need for the large number of staff cars and Government vehicles should be scrutinised.

264. The number of Inspectors may be reduced, Sub-Inspectors being placed in charge of lighter taluks. The number of Daffedars, Jamedars, etc., should also be reduced.

265. The post of Manager may be abolished and a 12½ per cent reduction in the ministerial staff effected.

266. The number of Police orderlies should be reduced.

267. Consequent on the increase in strength of the military, the strength of the Provincial Armed Reserve Police may be reduced.

268. Economies are possible in the expenditure on Home Guards and Emergency Police. The latter will cease when the emergency ceases to exist.

269. The lumpsum provision of Rs. 5·71 lakhs for Police buildings may be deleted.

21. Medical Department

270. There may be a common head for the Medical and Public Health Departments. The several subsidiary independent sectional heads such as Director of Tuberculosis, etc., may also be abolished thus saving the unnecessary extra cost over establishments for these.

271. The system of appointing Honorary Medical Officers to the institutions at Headquarters and in the Districts may be adopted.

272. An Expert Committee may be appointed to examine if the Government institutions are not overstaffed.

273. Regarding purchases, instead of centralising the transactions in the Medical Stores, Rate Contracts may be fixed and the Hospitals permitted to make purchases direct.

274. There is a very large increase under Diet Charges. The self-dieting system, *viz.*, patients obtaining the prescribed diet from their homes may be encouraged.

275. The provision made under Bedding and Clothing may be reduced and the purchases made direct from the local mills without unnecessary intermediaries.

276. It should be examined whether the receipts from the X-Ray Department both in the Krishnarajendra Hospital and Victoria Hospital could not be improved.

277. The lumpsum provision to the extent of Rs. 13·21 lakhs made in the current year's budget need not repeat for the reasons furnished in the detailed note.

278. Hospital receipts may be improved by Rs. 2 lakhs by raising ward fees and stricter check on levies.

Department of Indian Medicine

279. There is no need for an official Chairman with executive functions. The Chairman and the Committee may be purely advisory. The allowance to Chairman and special staff for him may cease. As the lumpsum grant of one lakh of rupees relates to the additional articles of furniture and linen, etc., required this year, the provision need not repeat in future Budgets.

280. The amalgamation of the Ayurvedic and Unani Institutions at Mysore with this institute at Bangalore needs examination.

281. The question of discontinuing the subvention to District Boards for Ayurvedic and Unani Hospitals may be investigated.

22. Public Health

282. In order to co-ordinate the work of the Medical and Public Health Departments and to secure maximum efficiency, there should be a common head of department (*vide* also para 270).

283. With several senior officers as Superintendents for the different Bureaus to assist the Director there is no need for a separate Personal Assistant. This post may be abolished.

284. The Bureau of Epidemiology and Malariology may be combined, as it was some time ago, and one post of Superintendent abolished.

285. The Office of the Chemical Examiner and Bacteriologist may also be combined as it was previously, and either both or at least one of the posts of Assistants retrenched.

286. There is considerable confusion in the way in which the provisions made for Health and Malaria Units are now shown in the Budget. This should be rectified. These units may be classified into I and II Class according to their activities and a basic scale of establishment prescribed. In order to secure economy, First Grade Sanitary Inspectors may be replaced by Second Grade ones wherever possible and the number of Second Grade Inspectors and other staff on health units also reduced.

287. Health Probationers should be absorbed against sanctioned charges and their recruitment made strictly according to vacancies available.

288. The posts of Superintendent, Maternity and Child Welfare and the Nursing Superintendent may be abolished.

289. The surplus extra staff in Nagenahalli and other Units should be retrenched. Further, considering the very large staff employed in the several sections, a lumpsum saving of 12½ per cent may be enforced.

290. The provision for Sanitary Inspectors' Class may be reduced.

291. Grants under Travelling Allowance and Contingencies may be reduced by 12½ per cent.

292. The rates of Pathological Examination and fees for Sanitary Inspectors' Classes may be raised.

293. To meet the increasing recurring cost on account of the Public Health and Medical Departments, a Public Health Cess may be levied. This is expected to bring in an additional Revenue of Rs. 22 lakhs.

23. Irrigation Works

294. There is a separate Chief Engineer, Superintending Engineer, Divisional Officers, Sub-Divisional Officers, etc., for the Irrigation Department. This bifurcation appears unnecessary. Except for Capital Works or Special Projects, there need be no separate officers with parallel jurisdictions. The number of officers may be reduced suitably and the same officers placed in charge of both Irrigation and Civil Works in that area.

295. The staff under Capital Works also is too much.

296. Pending orders on the amalgamation suggested above, a 20 per cent reduction in the officers and $33\frac{1}{3}$ per cent reduction in the subordinates appear possible.

297. Similarly, in several of the Minor Tank Ranges and Project Sub-Divisions, where the progress is not much the staff may be cut down.

298. Regarding maintenance of channels and tanks, this should not be a charge on Government but should be met by the levy of an Acreage Cess.

299. The grant for Works may be reduced from Rs. 62·45 lakhs to Rs. 38·95 lakhs as per details furnished.

(i) *Lift Irrigation*

300. The sub-committee for Lift Irrigation may be continued but there is no need for a full-time officer. The Officer and his staff may be abolished. (Savings Rs. 8,400).

24. Civil Works and Communications

301. The posts of Chief Engineer, Roads and Buildings, Personal Assistant and Technical Assistant to the Chief Engineer may be abolished and in lieu thereof a post of a Deputy Chief Engineer created.

302. The following circles of Superintendence may be abolished :—

(1) Mysore Circle.
(2) Tumkur Circle.
(3) Shimoga Circle.
(4) Irrigation Circle.
(5) Jog Circle.

303. The work carried out in several branches of Public Works, such as Roads and Buildings, Irrigation, Minor Tank Restoration, Water Supply, Sanitary may all be pooled together and entrusted to the Executive

Engineers of the Districts, abolishing separate offices for these wherever they exist. So also in the case of Sub-Divisions, the jurisdiction being reduced and each Taluk being converted into a Public Works Sub-Division. There may thus be one Division for each District dealing with all public works, one Sub-Division for each Taluk and one or more Sub-Overseers or Surveyors for each Hobli.

304. While sanctioning Establishment, it should be seen that the staff has some relation to the outlay. It may be prescribed that the staff given to a Division or Sub-Division would be fixed roughly on an outlay of sixty to eighty thousand rupees per annum for a Surveyor or Sub-Overseer, Rs. 5 lakhs for an Assistant Engineer, and at least Rs. 10 to 15 lakhs for an Executive Engineer.

305. The present Government Architect is an officer of the status of a Superintending Engineer. An officer of the status of an Executive Engineer would do for this work. There is no need for an Assistant Architect in addition to the Architect.

306. The posts of Managers in the Chief Engineers' Offices and Head Clerks in the Offices of Executive Engineers and Superintending Engineers may be abolished as they are superfluous.

307. A cut of 12½ per cent may be effected in the existing other establishments.

308. Grant of conveyance allowance to the establishment stationed at the work-spots like Jog and Lakkavalli Projects may be discontinued.

309. The rate of conveyance allowance granted to executive subordinates may be reduced to Rs. 7-8-0 when the conveyance used is a bicycle.

310. The grant for works may be reduced as follows :—

		Rupees in lakhs.
(1) Civil Buildings	...	6·50
(2) Travellers' Bungalows	...	0·30
(3) Communications	...	23·00

(i) *Mahatma Gandhi Hydro-Electric Works at Jog (Civil Engineering Works.)*

311. There is not sufficient work for a separate division at Hirebhasagar. It may be converted into a Sub-Division and attached to the Division at Jog with a reduced staff as noted in the margin.

1 Assistant Engineer; 6 Sub-Overseers; 3 Clerks; 8 Peons; 1 Watchman; 2 Accounts Clerks (for 6 months).

312. The work in the Office of the Executive Engineer at Jog has considerably diminished and the existing staff is excessive. A reduction of 4 hands in the Executive and of 6 clerks of the Public Works Department, and 3 Accounts Clerks may be made.

313. There is no longer any need to continue the separate Circle at Jog. The Circle Office may be abolished and the works placed in charge of the Superintending Engineer, Lakkavalli.

314. Since there has been considerable reduction of work in the Audit Office also, the establishment allowed for this may be reduced as noted in the margin, and a combined Audit Office for Jog and Lakkavalli constituted with Headquarters at Shimoga.

1 Auditor; 12 Accounts Clerks; 1 Stock Verifier; 3 Peons.

315. Now that the Project portion of the work is complete the post of 1 Superintendent, 2 Clerks and 1 Peon may be retrenched out of the establishment working in the Jog Project Section of the Chief Engineer's Office.

25. Economic Conference

316. The Office of the Commissioner of Economic Development and Planning may be amalgamated with that of the Rural Development Office and the post of Special Officer for Rural Development abolished, retaining for Economic Development work 2 Investigators, 1 Steno-Typist and 1 Clerk out of the existing establishment. The post of the Assistant Secretary, Economic Conference, also may be retrenched.

317. The Statistical work now done in the Office of the Commissioner has to be transferred to the Director of Industries and Commerce as already ordered, one of the Clerks (I Division Clerk) now dealing with this work may also be transferred to that Department, and the remaining staff retrenched.

(Separate proposals regarding constituting a Statistical Organisation for the whole State at a cost of Rs. 9,871 or 13,471 is before Government.)

318. *Policy Committees.*—The number of Policy Committees be reduced from 6 to 3. The post of full-time Secretary for the Agricultural Committee may be abolished, as also the Duty Allowance of Rs. 50 each now paid to the Secretaries (*ex-officio*) of the 5 other Committees. No full-time staff need be given to the Secretaries of the

new Committees but an allowance of Rs. 15 each may be given to a clerk of the concerned offices for doing the work of each of the Committees.

26. Education

319. The expenditure on Education is the biggest single item in the Budget being Rs. 275 lakhs. The post-war schemes contemplate further substantial increase of Rs. 1·14 crores per annum at the end of fifth year. The increase in expenditure is very rapid having risen from Rs. 54 lakhs in 1938-39 to Rs. 275·12 lakhs in 1948·49 (Budget).

320. There appears to be only two Deputy Directors of Public Instruction in a big Province like Madras. We also need not have more than two in Mysore. One post of Deputy Director of Public Instruction may be retrenched, the powers of the other two being simultaneouly enlarged.

321. The post of Manager in the Office of the Director of Public Instruction may also be retrenched as there are one Personal Assistant and eight Superintendents.

322. There is no need for a whole-time Inspector of Commercial Schools at Headquarters with jurisdiction all over the State. This may also be abolished.

323. Pending examination by the Efficiency Audit Officer regarding the requirements of staff, the clerical staff in the Director's office may be reduced by 25% *i.e.*, roughly 20 clerks may be retrenched.

324. Regarding the establishment under the District Educational Officer, 2 clerks in each District may also be retrenched.

325. The post of whole-time Agricultural Inspector (lent by the Agricultural Department) may be abolished and the local Agricultural Inspectors required to look after this work.

326. Whether Practical Instruction Classes in Middle and High Schools may not be abolished altogether needs consideration.

327. The Adult Literacy Scheme may be taken over by the Education Department as this would result in large economies by avoidance of overlapping establishments.

328. The number of Inspectors could be reduced from 157 to 100 and the form of Inspection Report suitably re-drafted so that one Assistant Inspector may inspect a larger number of institutions than at present.

329. Fifty per cent of the graduate posts for Middle Schools may be released for non-graduates, a small allowance being attached to the post of Head Master.

330. There need not be separate institutions or instructors for special communities or subjects.

331. Enforcement of Compulsory Education involves more number of schools, more teachers, more Inspectors and Clerical staff and more buildings. One way of meeting this demand *is to have classes in two shifts* which will enable double the number of students being educated with a little extra cost. *Government should also encourage more private and aided schools.*

332. The rate of Education Cess may be doubled and it may be levied on Income-tax also.

333. Re-imposition of fees in Middle Schools will bring in a Revenue of Rs. 6·4 lakhs.

334. Continuance of Elementary Education Fund may be given up as this serves no purpose, the entire expenditure on Education being shown under "26. Education".

335. The number of students in a class may be raised from 40 to 60.

336. Regarding implementation of post-war development schemes of Education Department we may 'go slow' the progress depending on the availability of finances.

337. There is a provision of Rs. 10 lakhs under Development Schemes. As an increase of Rs. 50 lakhs in the next 5 years is proposed, this provision may be deleted.

338. The building grant may be reduced by Rs. 10 lakhs. The provision under Miscellaneous may be reduced by Rs. 12·50 lakhs, the provision for foreign scholarships may be reduced by Rs. 3 lakhs.

339. The Lumpsum expenditure grant of Rs. 50,000 to the Indian Academy of Science may be omitted as this is a non-recurring item. The provision of Rs. 30,200 under Miscellaneous may be omitted.

340. The lumpsum grant under School of Engineering may be reduced by Rs. 0·50 lakh.

27. Department of Agriculture

341. With a view to step up production, which is now of paramount importance, it is desirable that the technically trained officers of the Agricultural Department should be relieved of work relating to "trading" activities involved in looking after distribution and sale of implements,

seeds and manure which may be transferred to Co-operative Societies and Village Panchayets, etc., so that they may be able to devote their undivided attention to their legitimate work.

342. The posts of Director of Agriculture and Director of Agricultural Research may be combined, as before, not only in the interest of economy but also from the stand-point of the benefits of scientific research and advice being more intimately integrated with the day-to-day administration of the department.

343. The Department of Horticulture also may be placed under the Director of Agriculture, so as to facilitate co-ordination in the activities of the two departments and economise in staff.

344. It is unnecessary to have at Headquarters, a Deputy Director, Civilian Assistant and Accounts Assistant. The post of Headquarters Deputy Director may continue, but one of the two Assistants may be retrenched. Either an Accounts Officer may be posted as Personal Assistant, or if a Civilian Assistant is necessary then a Superintendent of the Comptroller's Office may be selected for the Manager's post to assist the Civilian Assistant in accounts matters.

345. The posts of Additional Deputy Director and the Superintendent of Farms may be abolished.

346. The work of development of Rural Waste Compost Scheme may be entrusted to the Rural Development Department, and the District Assistants and Demonstrators working under the Special Bio-Chemist may be transferred to the District and Taluk Development Committees, the Bio-Chemist being retained only as a supervisory and Inspecting officer. The posts of Assistant Bio-Chemist, (Headquarters) Accountant and 11 peons may be retrenched.

347. The posts of Assistant Bio-Chemists, Town Waste Compost Scheme, and 6 Maistries under him may be retrenched.

348. The Agricultural Engineering Section and Tractor Establishments have been immensely expanded, and they appear to be very much overstaffed. The staff appears to be capable of considerable retrenchment. The incorrect excess allotment of Rs. 4·27 lakhs made in the current year's Budget may be cancelled.

349. There is also no need for a large Workshop separately to be attached to this department as there are

already other Government Workshops which can conveniently take over this work.

'350. There has been a large increase in the ministerial staff of the Headquarters Office. The temporary staff may be disbanded and a retrenchment of 12½% effected in the permanent establishment.

351. No separate offices and ministerial establishment is necessary for Scientific Assistants. They may get any necessary clerical assistance from the Headquarters Office and the clerks allowed to them withdrawn.

352. The following economies may be effected in the sanctioned staff for Vernacular Agricultural Schools and building :—

(1) One Clerk ; one Cook (out of two sanctioned).
(2) Two Bullockmen (out of three sanctioned).
(3) Two Maistries.

The provision for buildings may be reduced to Rs. 15,000.

353. The farms maintained by the department are yielding disproportionately poor returns. If necessary the demonstration and commercial portions may be separated and the loss on the former made up by the income from the latter or in the alternative the size of the farms reduced to minimise losses

27-A. Veterinary

354. The expenditure in this department has increased enormously during the last two years, the budgeted amount being Rs. 21·42 lakhs in 1948-49 against Rs. 6·93 lakhs in 1946-47. This is a development department and the economic prosperity of the country is bound up with the activities of this department. At the same time all possible economies and measures for improving Revenue should be undertaken. The following suggestions are therefore offered.

355. As the term of most of the candidates now undergoing training in foreign countries and in India has been completed, the scholarship amount may be reduced from Rs. 1·45 lakhs to Rs. 25,000, the number of scholarships being fixed according to the requirements of the department.

356. The present grant to Civil Veterinary Hospitals and Dispensaries may be reduced by Rs. 20,000.

357. An increased receipt of Rs. 15,000 from fees to be levied for Artificial Insemination and for Covering by

the Breeding Bulls maintained by the Department may be anticipated.

358. A net receipt of Rs. 50,000 may be anticipated from the Serum Institute against Rs. 8,000 now.

359. The grant for Live-stock, Breeding Operations and Sheep-breeding may be cut down by 50 per cent.

360. The net receipts from Dairying and Cattle Breeding Stations may be increased by another Rs. 25,000.

361. The establishment of Duck Farming Station at Hessarghatta may be postponed.

362. The receipts from Poultry-farming may be increased by another Rs. 10,000.

363. *Development of Fisheries.*—The capital grant for Research Laboratory and Acquarium may be reduced to a recurring grant of Rs. 20,000.

364. At present there is a net expenditure on grass farm of Rs. 33,400. The Superintendent anticipates net receipts instead of an out-going as at present. Keeping the receipts anticipated at Rs. 10,000, an improvement of revenue of Rs. 43,000 may be expected.

365. The Superintendent expects that the Hessarghatta Stud Farm will be a very goodpaying farm. There is now a provision of Rs. 47,000 for net expenditure. Keeping the receipts anticipated at Rs. 23,000, an improvement of a revenue of Rs. 72,000 may be expected.

366. The staff may be reduced by 12½ per cent.

367. Similarly the grants for travelling allowance, contingencies and other charges may be reduced by 12½ per cent.

368. The lumpsum provision for Development schemes of Rs. 1·5 lakhs may be deleted.

369. The strength of the technical establishments may be scrutinised and fixed by a Technical Committee.

27-B. Horticulture

370. The reductions proposed by the Superintendent under the following heads may be accepted :—

1. Sunkal Farm.
2. Silver Jubilee Orchard, Hassan.
3. Hill Stations :—
   Sri K. R. Hill Station.

371. Certain amounts have been provided for "Fruit Research Scheme" under this department, while some expenditure is provided for in the Agricultural Budget also for a Fruit Cultivation Farm. No receipts at all

have been taken into account. The provision of Rs. 15,000 for non-recurring expenditure may be omitted and a sum of Rs. 10,000 taken as receipts against Rs. 15,000, which the Director of Research anticipates.

372. An expenditure of Rs. 19,400 has been provided for "Brindavan Gardens" in this department, while other items of expenditure for the same garden are shown under "XXV Krishnaraj Sagar Working Expenses." The receipts from this garden are also shown under "XXV Krishnaraj Sagar." All the expenditure relating to Brindavan Gardens including that now exhibited under Horticulture may be included under one head and debited to Krishnaraj Sagar Working Expenses, and the receipts and expenditure at least balanced by raising the gate fees now levied.

373. The "Hill Stations" are now maintained at a loss. If they are popularised by effective propaganda and provision of transport and other facilities, these stations can be made to yield some profits. The rates of fees may also be increased.

374. It is suggested that the development of Horticulture and its popularisation in rural parts, may be integrated with Rural Development, and that, except the controlling establishment, all the other charges in this connection may be met from the Rural Development Department Budget.

375. The expenditure on establishment and contingencies and scholarships may be reduced.

376. The provision for non-recurring item may be deleted. Increased receipts should be obtained from the several gardens, nurseries and farms run by the department.

27-C. Sericulture

377. In the absence of details, the Department having furnished no information, a general cut of 12½ per cent on the expenditure on salaries, establishment, and travelling allowance is suggested.

378. In the current year's budget, provision has been made for an expenditure of Rs. 7·53 lakhs to be met from Silk Industry Development Fund. It is not clear how much of this is non-recurring and how much recurring expenditure and what portion of the recurring expenditure will be recouped in the shape of receipts, and what portion will be a charge on the regular budget. In the absence of information, no provision for the recurring expenditure on

account of this in the budget of coming years need be made. Regarding meeting such expenditure from the Silk Development Fund, it is necessary that the policy should be laid down and the Silk Development Fund not utilised for expenditure which is a proper charge on the Budget grants of the department. As far as possible only the interest of the fund should be utilised for financing development schemes and the corpus left untouched.

379. The provision made for subvention to "Aided Grainages" may be reduced from Rs. 75,000 to Rs. 30,000.

380. Regarding the Farms and Grainage Section, a sum of Rs. 4,75,000 is being spent while the receipts are only a lakh and fifty thousand rupees. The receipts appear capable of improvement.

381. The work relating to Sericultural Co-operation, Seed Campaign and Propaganda may be transferred to the Rural Development Department.

28. Industries and Commerce

(i) *General*

382. As the work of the Director of Industries and Commerce has been reduced by taking away Labour and Marketing, there appears to be no need for a full-time Additional Director of the status of a Deputy Commissioner. The Director's work now appears to be mainly the Chairmanship of several Industrial Concerns. The Director may be relieved of a good many of the Chairmanship or Directorship, the same being distributed among other suitable Heads of Departments, Secretaries to Government and Technical Officers. This will be in the interest of both the work of the Office of the Director of Industries and Commerce and also in the interest of the several Concerns which may receive better attention than could be given by a single officer in charge of all of these. When the post of Additional Director is abolished, one of the Senior Assistants to the Director who is technically qualified may be placed in charge of Cottage Industries, the post of Deputy Director being revived, if necessary.

383. The posts of Commercial Assistants who appear to have no specified work may be abolished and the Probationers transferred to other Departments or Concerns where they may be absorbed against sanctioned posts.

384. To deal with the Audit of all Industrial Concerns run by Government and also to act as Financial

Adviser to the Heads of these Concerns, a separate Department for the concurrent audit of all Industrial Concerns may be created. While this would make for more efficient work, at least three unnecessary posts of Assistant Comptrollers could then be abolished. The Auditor may also be the Secretary to the Board of Management of Industrial Concerns. Presumably a few clerical posts could also be abolished.

385. A reduction of 20 per cent establishment in the Director's Office may be made pending further examination.

386. The non-recurring provisions of Rs. 15,000 for capital equipment under Badanwal Spinning Centre and of Rs. 1,00,000 for tools and machinery in the Chamarajendra Technical Institute may be omitted in future Budgets. Similarly the provision of Rs. 50,000 under Buildings for Industrial Schools for Girls may be omitted.

387. An increase of revenue in Industrial Schools of Rs. 30,000 may be obtained by securing better sale realisations.

(ii) *Registrar of Joint-Stock Companies*

388. The separate post of Inspector of Companies is unnecessary as he has not got full-time work. The Second Assistant to the Excise Commissioner who is *Ex-officio* Registrar of Joint-Stock Companies could attend to this work.

389. There is also no necessity for a Manager for this Office to supervise the work of one Accountant and three Clerks.

390. The scale of Registration fees may be enhanced to the rates in the Indian Dominion (Additional Revenue anticipated about Rs. 3,000 per annum).

(iii) *Sri Jayachamarajendra Occupational Institute*

391. The question of amalgamating this Institution with Sri Krishnarajendra Silver Jubilee Technological Institute may be investigated.

392. Provision for non-recurring items such as buildings, equipment and library in the coming Budgets may be reduced to Rs. 2 lakhs.

393. The question of increasing the scale of fees may be examined.

394. The receipts by sale of articles manufactured by the students should be improved.

28-A. Department of Labour and Labour Welfare

395. There are no details for the lumpsum provision of Rs. 10 lakhs made in the current year's budget. Any recurring items of expenditure to be incurred should be carefully scrutinised. Pending details, the lumpsum provision in the coming budgets may be omitted. Provision has however to be made for the reorganisation sanctioned by Government.

29. Co-operative Societies

396. The post of Deputy Registar and three posts of Assistant Registrars including two temporary posts may be abolished.

397. The number of societies in 1931 was 2,200 and the number of inspectors 42. We have now 2,714 societies with 57 permanent and 11 temporary Inspectors. Allowing one Inspector for every 50 societies, the number of Inspectors is far too much. At least the temporary posts may be retrenched for the present.

398. Reduction of one Jamedar or Daffedar and three peons could also be effected in the menial establishment.

(i) *Marketing Department*

399. The Deputy Registrar of Co-operative Societies may be entrusted with the development of Co-operative Marketing in the State. If this is done, the post of Personal Assistant to the Registrar may be abolished.

400. There is no need both for a Manager and an Accountant for this office. One of these posts may go.

401. Till the work relating to Regulated Markets develops the Assistant Marketing Officers may be in charge of the Districts also and no separate District Inspectors may be necessary.

402. One of the three posts of Marketing Inspectors may be retrenched.

30. Grants for Public Improvements

403. The grants which were about Rs. 9·36 lakhs in 1938-39 have now risen to Rs. 119·67 lakhs which includes a lumpsum of Rs. 25 lakhs for development schemes. The 1931 Retrenchment Committee felt that a good portion of this expenditure is of an optional character and easily dispensable in times of financial stringency.

404. In any event, some reductions are possible under each of the items even taking into consideration the requirements of a modern and progressive administration.

405. The grant for extensions to be laid out by the City Improvement Trust Board, Bangalore, may be given in the shape of advances, the receipts setting off the advances and only the net amount given. As far as possible the scheme should be self-supporting.

406. The lumpsum grant of Rs. 25 lakhs for Development Schemes, and the grant of Rs. 25 lakhs to City Improvement Trust Board may be deleted and with small reductions under other heads as suggested in the note a total saving of Rs. 59·67 lakhs may be effected.

Office of the Special Officer for Rural Development

407. This office may be amalgamated with that of the Commissioner for Economic Development and Planning. This would make reductions in staff also possible. Some reduction in the existing staff is also possible.

31. Army

408. The expenditure under "31. Army" which was Rs. 15·67 lakhs in 1938-39 is now Rs. 83·26 lakhs.

409. Against four Infantry Battalions existing and the proposed additional Battalions and Infantry Training Centre, we may have three Battallions and a fourth carved out of the Palace Infantry thus saving cost of two extra Battalions now proposed.

410. The Mysore Lancers as a Cavalry Unit may be abolished and converted into a Light Armoured Regiment.

411. The proposal to have a 'Field Company and a Station Workshop' may be accepted, separate departmental lorries now existing being made over to this Unit for being maintained and made available to departments wherever necessary.

412. Twelve and a half per cent reduction in the clerical staff may be made.

413. The proposal to recruit young men in their teens for 15 years of which not more than 8 years will be in Reserve may be accepted.

414. The Kunigal Stud Farm may be closed.

415. A saving of Rs. 6 lakhs on the annual grant for Military buildings may be effected.

32-B. Expenditure connected with Food and other Control Measures

(i) *Food Supplies Department*

416. Although with the re-imposition of controls much of the staff that had been disbanded has to be re-employed yet the barest minimum should be re-employed. Prices for acquisition of foodgrains and for their sale should be so fixed as to reduce the subsidy payable to the minimum.

(*ii*) *Emergency Police, Petrol Rationing and House Rent Control*

417. All these establishments will cease when the relative controls cease. In the meanwhile there is need for economy and for dispensing with the temporary staff immediately they are not required.

34. Contribution to Funds

418. The contribution to the several Funds may be continued at the levels suggested in the Notes relating to each Fund.

(i) *Road Fund*

419. The account of the Road fund may be closed since no useful purpose is served by creating this Fund.

420. The annual grant for Ordinary and Special repairs may be determined and intimated to the Chief Engineer well before the beginning of the year as soon as the Provisional Budget is approved by Government so that works may be commenced, immediately the new year starts.

421. An increase in Revenue of Rs. 1·5 lakhs may be anticipated under Petrol Tax.

(ii) *Industrial Development Fund*

422. This fund was constituted for finding additional resources and for the protection of existing industries and for the development of new industries.

423. At present only the charges relating to the remuneration of Mr. Felton is being charged to this head. This should really be distributed among concerned heads in the same manner as charges relating to Trade Commissioner the balance being debited to "17. Miscellaneous."

Expenditure met from Funds

Irrigation Development Fund

424. The expenditure to be met from Irrigation Development fund may be reduced by Rs. 23·5 lakhs by transferring the expenditure on Nugu Project (Rs. 5 lakhs) to Capital and reducing the expenditure under original works.

Special Reserve Fund

425. As there is now no cash or investment backing against this, this fund head may be closed.

Road Fund

426. This may be abolished or if it is to be continued the adjustments suggested may be made.

XXIV. Railways—Net Receipts

427. The gross receipts which had reached Rs. 200·47 lakhs in 1946-47 has gone down, the Budget estimate for the current year being Rs. 192·69 lakhs. The working expenses has however increased from Rs. 56·02 lakhs in 1938-39 to Rs. 143·58 lakhs in the current year in spite of there being no special contribution to Depreciation Fund.

428. The General Manager has not furnished replies to the questionnaire. The detailed note sent by the Auditor has been utilised in putting up the Note.

429. The Indian Railway Enquiry Committee is reviewing the work of the Railway and their Report has to be awaited.

430. The Auditor has suggested increase in place to place rates quoted in local booking, siding and terminal charges, etc. This may be examined.

431. Regarding economies in establishment, a departmental Committee with the Efficiency Audit Officer and also the Audit Officer may be appointed to fix outturn of work and see if any economies could be effected.

432. Economies should also be effected in fuel charges, the use of coal being avoided wherever possible by substituting electric power.

433. The consumption of coal in our Railway is stated to be comparatively heavy. This matter should be examined.

434. Loss in transit should be reduced to a minimum.

435. Surplus or ineffective stores should be reduced to the minimum. An annual Stores Budget should be carefully prepared based on the proposed capital and maintenance Budget.

436. The enhancement of rent in officers' quarters wherever possible should be considered.

XXV. Krishnaraja Sagar Irrigation—Net Receipts

437. The main source of receipt is the water rate and proposals for increasing this have been considered under Land Revenue. The working expenses may be reduced by 12½ per cent.

XXV-A. Hydro-Electric Works—Net Receipts

(i) *Proposals for Augmenting Revenue*

438. Although there has been an increase in gross receipts there has been a fall in net receipts due to the increase in working expenses. While the department has been reorganised involving extra cost and the working expenses have also gone up due to the all round increase in costs, the rates charged for lighting is the same for the last 25 years. There has not also been much change under Power for Industrial purposes the rates for which were revised in 1944.

439. Accordingly, certain increases suggested by the Auditor, Electrical Department, have been proposed for examination.

440. The question of levying a surcharge, in addition, may also be examined. These proposals are expected to bring in additional Revenue of Rs. 20 lakhs.

441. The Mahatma Gandhi Hydro-electric Works is also expected to bring in additional Revenue which may be about Rs. 80 lakhs when the Works are completed and begin to yield. In the meanwhile by next year we may anticipate net additional Revenue of Rs. 25 lakhs when the first stage would have been completed.

(ii) *Expenditure*

442. There has been a very large increase under Working Expenses latterly so that in spite of an increase under Gross Receipts there is no corresponding increase under net receipts.

443. As this is a technical department it is difficult to suggest economies. An Expert Committee may

therefore be appointed to examine the working of the department and to suggest economies in the expenditure of the department and also to fix the minimum staff necessary. The Committee may also suggest suitable decentralisation of powers so as to relieve the higher officers of unnecessary routine and to secure increased promptness and efficiency. In the meanwhile a 5 per cent cut on salaries and establishment and a further saving of about Rs. 75,000 as per details in the note may be effected. A saving of Rs. 3·50 lakhs may be effcted by reducing the contribution to Depreciation from 3 to 2½ per cent.

(iii) *Telephones*

444. The rates of telephones may be increased to the level in the Post and Telegraphs.

445. The telephones given to a number of Government Offices where they are not absolutely necessary may be removed.

446. The telephones given to the residences of officers may be considerably curtailed (except in the case of certain high level posts and important Police and Military Officers) a charge of 50 per cent of the rates recovered from Government officers to whom free telephones are now given.

447. A separate internal Telephone system may be put up for big offices where a number of telephones are installed.

448. The number of Public Telephone Booths may be increased.

449. The additional Revenue that may be anticipated by increasing the rates is about Rs. 3 lakhs.

450. The extension of the Bangalore Exchange will bring in an additional Revenue of Rs. 1·5 lakhs.

XXVII—*Iron and Steel Works and Cement Plant*

451. An additional capital of about 3·5 crores is being invested on several developments. A return of 3 per cent, *i.e.*, Rs. 10·5 lakhs is taken against Rs. 15 lakhs anticipated by the department.

XXVIII—*Kolar Gold Fields and XXX Chamarajasagara Water Works*

452. The question of improving receipts under these heads by levying higher rates or at least a surcharge on non-domestic consumption requires examination.

XXIX—*Industrial Works—Profits*

453. There has been a slight falling off in profits since 1943-44. The Industrial Concerns are being separately examined regarding economies possible and improvements in Revenue that could be secured.

CHAPTER VI

37. Railways and Tramways (*Capital*).

454. Excluding the works not included in the post-war schemes that are in progress, the capital cost of the other schemes proposed comes to Rs. 784·42 lakhs of which Rs. 569·58 is debitable to Capital and Rs. 214·84 to Depreciation. This does not include the Chamarajanagar-Sathyamangala line, the Chitaldrug-Rayadurg line and the line to Coorg.

455. The above programme includes electrification of Mysore-Bangalore line, construction of Kadur-Chikmagalur line and the Nayandahalli chord line. As these works are to be met from borrowed funds, they may be taken up if we are sure of getting a return of at least 3 per cent towards interest in addition to the actual working expenses and in the case of the Kadur-Chickmagalur line, the District Board guarantees the above, the deficit being met from the annual Railway Cess.

456. Regarding the other works involving an outlay of Rs. 159·09 lakhs debitable to Capital and Rs. 167·84 lakhs to Depreciation Fund, the General Manager says that these are to be taken up to improve working facilities and to afford more amenities to the travelling public and *as such no direct Revenue can be expected.* As it would be unwise to take up these works from borrowed funds, and stated to be unremunerative, the sum of Rs. 150 lakhs that had been credited to Depreciation Funds over and above the normal contribution, may be withdrawn and credited to a new account " Special Reserve for Railways—Capital " and these works financed from this Reserve. The balance left along with the annual contribution to Depreciation Fund may be utilised to meet the portion of the cost chargeable to Depreciation and for meeting the deficit, additional contribution being made to Depreciation Fund whenever necessary. At the same time in order not to affect the Revenue account, the minimum contribution to General Revenue may be placed at Rs. 35 lakhs, any

surplus above this being distributed equally between General Revenue and Contributions to Special Reserve or Depreciation Fund as the case may be.

38. Krishnarajasagara Irrigation Works

457. The main works appear to have been completed. It is desirable to close these and prepare a statement of works yet to be done and put up a programme for implementing this.

458. The amount required in future years for 'capital' would be small and may be met from the collections on account of Acreage Cess and arrears outstanding in that account.

459. The yields from these works are disappointing and action is necessary to step these up. Suggestions regarding these have been examined in the note.

(ii) Land Acquisition Office, Krishnarajasagar

460. The post of the Special Land Acquisition Officer, Mysore and Mandya, may be abolished, the work in the Mysore Division being attended to by the Sub-Division Officer, Mysore and that relating to Nugu Reservoir by the Sub-Division Officer, Nanjangud or the Personal Assistant to the Deputy Commissioner, Mysore.

461. The work of this officer in Mandya may be made over to the Acquisition Officer, Village Shifting Scheme. These proposals will result in a saving of Rs. 10,000.

38-A. Hydro-Electric Works (Capital)

462. For completing the schemes under execution a sum of Rs. 2·87 crores would be required. A further sum of Rs. 9·7 crores would be required for new schemes, such as—

	Rs.
Mekedatu	5 crores
Additional Units at Shimshapur and Electrification of Towns and Villages	2 crores
Further Transmission lines ...	2 crores
Additional step-down transformers at Mysore and Bangalore ...	70 lakhs

463. The Rural Electrification schemes for which capital estimates are being sanctioned do not appear to pay even the interest on the capital at the initial stages

It is therefore necessary to require a guaranteed return of at least the interest on capital before such schemes are taken up.

464. The new schemes for generating additional power may be so regulated that as far as possible they are just ahead of demand and will not involve our having to wait for the loads.

465. The sanctioned schemes may be financed by reducing the percentage of investment against Depreciation Reserve in liquid securities to 20 per cent and by re-shuffling the existing investment account. Any additional amounts necessary may be met from the Ways and Means as far as possible fresh borrowing on this account being avoided.

466. When there is demand for extra power there would be no objection to take up the new schemes even from borrowed fund as our investment in Electrical undertakings have always paid more than the interest on capital.

38-B. Irrigation Works not met from Revenue

467. Just as in the case of the Thunga Anicut, the Nugu Reservoir works should also be included under Capital, thus bringing the amounts required to complete the irrigation capital works to Rs. 13·25 crores.

468. Though unremunerative, these irrigation works are necessary for the country's economy.

469. The Gold Mines Revenue Capitalisation Fund which was intended to make up the possible shortages in the revenue when the Mines cease to work may be utilised for financing the Irrigation Capital and transferred to a new account to be called "Irrigation Capital Reserve." Fifty per cent of the receipts from Gold Duty, in future, may also be credited to this Reserve. These amounts would however be extremely inadequate to cover the cost of the schemes on hand and it may, therefore, be necessary to borrow the amounts required for completing these large irrigation schemes if they are to be pushed through rapidly. In that event we would have to negotiate for a long-term loan at the lowest possible rate of interest agreeing to contribute to an annual Sinking Fund for discharging the loans and to provide for the annual interest payable. The interest on Famine Insurance Fund may also be credited to the above 'Reserve.'

39. Industrial and Other Works

470. The estimate of additional capital requirements appears incomplete. The requirements as now furnished could be met from the Ways and Means.

471. There has been a downward tendency under 'Net Receipts' from these works. This should be checked.

472. All additional capital invested should earn at least the depreciation charges and interest on capital.

Nationalisation of Bus Services

473. The amounts required for further capital may be met from the Ways and Means account.

474. On account of the heavy prices paid and rapid deterioration anticipated a depreciation of 25 per cent on capital may be provided before computing profits.

40. Iron and Steel Works

475. The schemes under execution and those under contemplation require a further sum of Rs. 1·67 crores for completion.

476. Past experience warns us to be cautious with regard to the returns to be anticipated from the schemes in this group and it is therefore necessary that the additional capital for these works as far as possible should not be found by borrowing.

477. During the war period the entire arrears of Depreciation contribution in respect of the Iron and Steel Works has been made up and the question of utilising the investments held against this fund for further capital required in preference to borrowing requires consideration.

478. For the time being the amount to be kept in liquid reserve in respect of Depreciation Fund may be reduced to 20 per cent and the securities in investment account re-allotted and the funds thus released availed of to finance these capital works without fresh borrowing.

CHAPTER VII

Ways and Means

479. According to the Financial Secretary's Memorandum, the Cash and Investment position at the end

of 1948-49 will be Rs. 3·06 crores and Rs. 16·66 crores, respectively. The other assets are Advances and Loans which come to Rs. 3·19 crores and Capital Rs. 37·29 crores. Against these, the permanent debt is Rs. 16·21 crores, unfunded debt Rs. 11·02 crores and Local and Other Funds and Other Deposits Rs. 7·1 crores. The miscellaneous liability is Rs. 1·86 crores.

480. It is understood that the cash and investments has worsened due to advances for Food (a good bit of it would be irrecoverable as it would be adjusted towards subsidy) and additional investments in Airmec and loans to some Companies.

481. The large commitments on account of Capital require a stringent control over our Ways and Means outgoings and therefore assistance to Joint-Stock Companies in future may take the shape of Bank guarantees instead of loans from Government. The question of starting an Industrial Finance Corporation as a Joint-Stock concern needs examination.

482. Excluding the outlay to end of June 1948 and the provision made for 1948-49 in respect of capital works sanctioned or contemplated, a sum of Rs. 21·60 crores will be required to complete these schemes. This excludes a sum of Rs. 3·6 crores and Rs. 9·7 crores relating to unsanctioned schemes in the Railway and Electrical Departments, respectively. A sum of Rs. 13·25 crores out of the above relates to the Irrigation Department.

483. With a careful husbanding of our resources, there may not be any need for immediate borrowing for completing the works in execution. The percentage of investments against Depreciation reserve may be reduced and the Gold Mining Capitalisation Fund utilised for irrigation purposes.

484. To augment our resources and as an anti-inflation measure, a ' Small Savings ' drive may be undertaken.

485. If the pace of progress, particularly of irrigation works has to be increased, borrowing would be necessary but it is better to avoid borrowing till our Revenue position definitely improves. The pace of capital works may also if necessary be reduced to avoid borrowing.

486. As the completion of the existing schemes itself throws a large strain on our resources, new industrial development schemes would have to be financed

only out of borrowed funds. Therefore, before undertaking these however promising or necessary these schemes may be, we should ensure that such borrowing does not cripple the resources available for the growing needs of the administration in case such schemes should prove to be unremunerative. As far as possible, therefore, new industrial ventures may be left to private enterprise active encouragement being however given by Government for starting such joint-stock ventures by taking shares wherever necessary and judicious grant of loans.

CHAPTER VIII

Our Development Schemes and their Implications

487. The Co-ordination and Finance Committee approved 174 schemes out of 208 submitted to them involving a non-recurring expenditure of Rs. 21·83 crores and recurring expenditure of Rs. 6·75 crores spread over five years, the increase in the annual recurring expenditure from the fifth year being Rs. 1·92 crores. The schemes considered by the committees included also items debitable to Capital. A number of these schemes have already been sanctioned and provision included in the Budget.

488. "The possibility of postponing any of these schemes till the financial position improves" has been considered, every scheme examined and necessary recommendations made in respect of each of these.

489. The expenditure (omitting the provision already included in the Budget) on all these schemes may, as proposed in the detailed note be limited to about Rs. 28·79 lakhs per annum (recurring) and Rs. 35·38 lakhs non-recurring, the expenditure on account of the Education Department being increased each year by Rs. 10 lakhs subject to a maximum of Rs. 50 lakhs. The normal increases under Revenue heads and the large increase anticipated under Electrical revenues would, it is expected, be adequate to finance the additional expenditure on account of these.

CHAPTER IX

Conclusion

490. While the general financial position of the Mysore State is perfectly sound, the *realisable assets* (excluding capital) being almost equal to the liabilities and the capital assets far exceeding the permanent debt and being equal to the entire liabilities, it is the revenue position that is not so satisfactory. There is a large deficit in the current Budget and this gap is expected to be wider when prohibition comes into operation throughout the State and the Revenues contract as conditions get normal.

491. Measures are therefore urgently necessary to restore budgetary equilibrium and these have been considered in the preceding chapters. The net effect of these proposals would be a small surplus of Rs. 15·42 lakhs receipts over expenditure.

492. We are however living in times when conditions are changing rapidly and it is difficult to predict what changes in the financial structure of our State might be necessary on account of changes in the relationship of the Centre to the acceding States. Whatever the changes may be it is imperative that the revenue resources of the State should be adequate to meet the existing commitments and the evergrowing needs of departments like Education, Public Health, Agriculture and Rural Development, etc.

493. The ultimate measures to be taken both in respect of economies in expenditure and augmentation of revenue are largely a matter to be decided at Government level. But unnecessary increase in expenditure should be prevented and measures for further taxation introduced only when inevitable.

494. Budgetary equilibrium should however be maintained at all costs.

ANNEXURES

BLANK PAGE

ANNEXURE No. I.

Chapter I—Para 4. Page 3.

Appointment of an Economy Officer.

ORDER NO. FL. 5086-5176—G. F. 206-47-1, DATED BANGALORE, THE 8TH MARCH 1948.

The financial position of Government had undergone a radical change during the period of war. Government had to enforce several control measures to meet with the situation and in consequence several new departments had to be created such as Food, Civil Supplies, etc. Government had to necessarily increase the defence forces and the expenditure on Military and Police Departments increased to an appreciable extent. In view of the high cost of living necessitated by conditions created by war, Government had to sanction Dearness and War Allowances to Government Servants at a heavy recurring cost of nearly 1·25 crores per annum. The expenditure had also abnormally increased under all heads due to increased costs. The losses on account of subsidising foodgrains to end of 1946-47 aggregated to about 2·35 crores. In spite of the heavy increases, the financial position did not appear so dark during the period of war, as there were corresponding increases under the Revenue Heads which were of an adventitious nature. The position during the post-war period has become complicated. The adventitious increases on the revenue side could no longer be expected and our revenues have begun to decline rapidly. The police and military have been augmented and the cost of dearness and high price allowance has also remained at the same level. In addition to these increases, the policy of prohibition will wipe out the Excise Revenue in the next two or three years and the revision of scales of pay of the non-gazetted staff on the recommendations of the Pay Committee and the recurring cost of Post-war Schemes would be an additional burden of an appreciable magnitude. The fall in revenue and the increased expenditure of all these items are estimated to be over Rs. 5 crores though some of the items may be spread over the next two or three years. While the revenue position may be taken as fairly satisfactory in the sense that during the current year it is estimated to stand at Rs. 10 crores, the increased expenditure, the fall in revenue for the coming years and the additional commitments would threaten the soundness of the financial position unless the whole position is reviewed and balance restored.

The question of effecting economy in the State's expenditure and improving the revenue position has been engaging the attention of Government for some time past. On the side of the public, there has been general insistence for effecting economy and also to see to the ways and means of improving the revenue.

Both in the Representative Assembly and in the Legislative Council at the Sessions held in December 1947 and January 1948, respectively, resolutions to this effect were brought and withdrawn on the assurance given by Government that the principles underlying the resolutions were acceptable to Government.

On occasions when the revenue position had been threatended in the past, Government had appointed Retrenchment Committees once in 1922 and again in 1931. The circumstances and conditions then where quite different and under the present circumstances which are complicated, Government after consideration feel that the whole problem could be tackled more efficiently by an officer of sufficient status and experience and when the report of such an officer is before Government, Government could then consider whether the reports is to be placed before a Committee and their recommendations also taken into account before passing orders.

No. Fl. 5086-5176—G. F. 206-47-1, dated 8th March 1948.

After considering all aspects of the case, Government are pleased to appoint Sri B. S. Raghavendra Rao, M.A., Commissioner of Economic Development and Planning, who has had wide experience in several departments and who was also till lately Financial Secretary, as Economy Officer to Government in addition to his own duties.

The following are the general terms of reference :—

(1) To consider all questions of economy and retrenchment in the several departments.

(2) To suggest ways and means of improving the revenue position either by fresh taxation or increasing the existing rates of taxes or otherwise.

He is authorised to inspect all offices, hold discussions with Heads of Departments or concerned Ministers and collect all the necessary information. The Heads of Departments and all officers are requested to co-operate with the Economy Officer and render all assistance or furnish any information required by him. The Efficiency Audit Officer and his staff may also render the required assistance.

ANNEXURE No. II.

Chapter I—Para 6 Page 5.

Questionnaire sent to public.

Memorandum, dated 19th May 1948.

No. E. O. 211—47-48. The question of effecting economy in the State expenditure and improving the revenue position has been engaging the attention of Government for some time past. Both in the Representative Assembly and Legislative Council also Resolutions to this effect had been brought and assurances were given by Government that the principles underlying the Resolutions were acceptable to Government. The Government have accordingly since appointed an Economy Officer.—

(i) to consider all questions of economy and retrenchment in the several departments;

and (ii) to suggest ways and means of improving the revenue position either by fresh taxation or increasing the existing rates of taxes or otherwise.

The Economy Officer would therefore be glad to receive suggestions from the public regarding measures that could be taken to secure economy in the services without impairing efficiency and also regarding sources of additional taxation that could usefully be tapped both in order to secure balanced budgets and to find funds for financing development schemes.

To assist in framing replies a questionnaire is annexed. The questionnaire is by no means exhaustive nor is it necessary that the replies should closely follow the questionnaire. The object of the enquiry has been clearly set forth and suggestions in this regard from the members of the public would be welcome.

All communications may kindly be addressed to :

The Economy Officer in Mysore, Bangalore.

Questionnaire.

A : Effecting Economies in Expenditure :

1. What measures of retrenchment would you suggest in respect of the Gazetted and non-gazetted staff, including servants, in the several departments of Government without impairing efficiency ?

2. Have you any suggestions for securing reduction in staff by simplification of work and decentralisation of powers, etc. ?

3. Have you any proposals for effecting economies in expenditure such as Travelling Allowance, Special charges, Contingencies, etc. ?

4. Is any economy possible by combining the functions of several departments or of several offices in the same or in other departments in cases where such functions overlap? If so, please suggest the departments or functions in the same department which should be so combined.

5. Would you suggest the postponement of any items of work now undertaken, till finances improve?

B: AUGMENTATION OF REVENUE:

Have you any suggestions—

(i) for improving our existing revenue, by stopping leakages if any, or by any other methods?

(ii) for enhancement of the existing rates of taxation?

(iii) regarding sources of additional taxation that could usefully be tapped?

C: GENERAL:

Have you any other suggestions in regard to economising expenditure or increasing revenue?

ANNEXURE No. III.

Chapter I—Para 6. Page 6.

List of Gentlemen who Replied to the Questionnaire.

1 Sri G N Nagaraja Rao, Private Secretary to His Highness the Maharaja of Mysore.

2 *Rukn-ul-mulk* Janab S Abdul Wajid, Retired Revenue Commissioner.

3 Sri B Hutche Gowda, President, District Board, Tumkur.

4 Janab Khazi Syed Yusuf, Ex-M R A, Kudumalakunte, Goribidnur Taluk.

5 Sri C Nanjundaswamy, Member, Representative Assembly, Malavalli Taluk.

6 The Mysore Non-Gazetted Officers' Association, Bangalore.

7 Sri B R Chandrasekariah, Merchant, Shimoga.

8 Janab S M Bhakher, Municipal Councillor and Clove Merchant, Sakleshpur.

9 Sri Jathra Naik, Member, Representative Assembly, Hiriyur Taluk.

10 Sri P C Ratnavelu Mudaliar, Retired Manager, Residency Press, Bangalore.

11 Sri B S Narayana Rao, Consulting Engineer, Tumkur.

12 Dr. C A Rama Setty, Municipal Councillor, Avenue Road, Bangalore.

13 Sri B Krishnachar, Thirthahalli.

14 Sri B Ramachandra Rao, Basavanagudi, Bangalore City.

15 Sri C Srinivasa Rao, Land-Holder, Tarikere.

16 Sri Yejaman Kenchappa, Chickpet, Bangalore City.

17 Sri P Kondappa, Clerk, Public Works Department, Challakere Taluk.

18 *Rajasevasakta* Y. K. Ramachandra Rao, Retired General Manager, Mysore State Railway.

19 Sri A R Krishna Murthy, Land-Lord, 153, Kullappa Street, Tarikere.

20 The Taluk Congress Committee, Tarikere.

ANNEXURE IV.

(*Chapter I, Para 13*). Page 9.

Major Head Abstract showing proposed increases in Revenue and Reductions in Expenditure. (In lakhs of rupees.)

Major Head Numbers	Major Head	Budget Estimates	Reductions anticipated	Increases proposed due to		Revenue as expected to stand ultimately	Non-recurring items of Revenue	Remarks
				Augmentation of Revenue	Additional taxation			
	REVENUE.							
	A. Principal Heads of Revenue—							
I.	Land Revenue	135·74	...	5·00 (a)	54·75 (b)	195·49	100·00 (c)	(a) Normal increase; (b) Proposed levy of 33 1/3 per cent surcharge pending resettlement, etc., and the decisions of the Committees and proposed increase in water rates; (c) Capital receipts by sale of lands released by the Excise and Amrit Mahal Kaval departments; (d) Anticipated fall in rates; (e) Anticipated increase under Minor Forest Produce; (f) Due to proposed increase in rates under licence fees, etc; (g) Reduction due to prohibition; (h) Increase due to proposed increase in rates under income-tax; (i) Betting-tax; (j) Fall anticipated due on return to normal conditions; (k) Increase due to rising of rates to dominion level; (l) Sales-tax,—A larger sum could be realised by cancelling exemptions and increasing rates.
II.	Forest	70·00	25·00 (d)	1·25 (e)	1·65 (f)	47·90	...	
III.	Excise	210·00	202·00 (g)	...	..	...	...	
IV.	Income-Tax	144·35	...	...	10·00 (h)(1)	8·00	...	
IV-A.	Miscellaneous Taxes	107·94	...	...	75·00 (i)	154·35	...	
V.					24·00 (i)	206·94 (2)	...	
VI.	Stamps	37·41	5·00 (j)	...	7·50 (k)	89 91 (3)	...	
	Registration	7·50	2·50 (j)	...	1·50 (k)	6·50	...	
	Total—A	712·94	234·50	6·25	174·40	659·09	100·00	
	B. Surplus Revenue of Assigned Tract—							
VII	Assigned Tract Revenue.	17·98	17·98	...	...	...	...	This has merged in State accounts.
	C. Mining Revenue—							
VIII.	Mining Revenue	13·66	...	...	...	13·66	...	
VIII-A.	Duty on Gold	90·00	50·00	..	...	40·00	...	Fall due to anticipated fall in value of Gold and probable changes in terms of levy.
	Total—C	121·64	67·98	...	...	53·66	...	
	D. Interest—							
IX.	Interest	55·82	16·00	...	...	39·82	...	Fall due to sale of investments. Interest is calculated at an average rate of 3 per cent on an investment of about 12·66 crores.

	E. Civil Administration—							
X.	Scientific & Miscellaneous Departments.	0·51	...	...	0·10*	0·61	...	* Anticipated increase in *Geological* Receipts.
XI.	Pensions and Allowances.	0·99	...	...	...	0·99	...	
XII.	Stationery and Printing.	0·63	...	0·05	...	0·68	...	
XIII.	Miscellaneous ...	17·55	15·00	...	...	2·55	...	Fall due to omission of receipts on account of sale of lands by the Trust Board, the amounts placed at the disposal of the Trust Board being treated as advances and not grants.
	Total—E ...	19 68	15·00	0·05	0·10	4·83	...	
	F. Protection—							
XIV.	Courts of Law ...	2·98	...	...	...	2·98	...	(m) Increase anticipated due to proposed increases in rates of Ward charges and improvement in Hospital Receipts; (n) Public Health Cess at 6 pies on all items of Revenue on which local cess is now levied including Income-Tax. Additional Revenue anticipated by increasing rates for Pathological Examination and fees for Sanitary Inspector's Classes.
XV.	*Jails* ...	0·03	...	...	...	0·03	...	
VI.	Police ...	0·92	...	...	...	0·92	...	
VII.	Medical ...	3·73	...	2·00 (m)	...	5·73	...	
XVIII.	Public Health ...	0·60	...	...	22·30 (n)	22·90	...	
	Total—F ...	8·26	...	2·00	22·30	32·56	...	
	G. Public Works—							
XIX.	Civil Works ...	2·48	...	...	...	2·48	...	
	H. Moral and Material Development—							
XX.	Education ...	6·17	...	18·26	...	24·43	...	Increase anticipated by levy of fees in Middle Schools Rs. 6·40 lakhs and doubling Education Cess Rs. 11·86 lakhs.
XXI.	Agriculture, Veterinary & Horticulture.	1·49	...	1·00	...	2·49	...	Increase under Farm Revenue.
XXII.	Industries and Commerce.	1·65	...	...	0·03	1·68	...	
	Total—H ...	9·31	...	19·26	0·03	28 60	...	
	J. Army and Defence—							
XXIII.	Army ...	0 83	...	...	...	0·83	...	
XXIV.	J. Railways—Net Receipts.	48·49	13·49	...	...	35·00	...	Fall anticipated when normal conditions are restored. The reduction of fares is also expected to result in a fall in Revenue. The net revenue is placed at 5 per cent of Capital invested.
XXV.	K. Krishnarajasagar Irrigation Works— Net Receipts ...	5·36	...	...	...	5·36	...	

(1) A further sum of Rs. 16·14 lakhs may be expected if the other suggestions made in the note are approved. (2) A sum of Rs. 0·5 to one lakh may be expected as Excise duty on power alcohol in the coming years—This has however not been taken into account. (3) This does not include increase anticipated under entertainment tax.

Major Head Abstract showing proposed increases in Revenue and reductions in Expenditure—*concld.*

(In lakhs of rupees)

Major Head Number	Major Head	Budget Estimates	Reduction anticipated	Increases proposed due to		Revenue as expected to stand ultimately	Non-recurring items of Revenue	Remarks
				Augmentation of Revenue	Additional taxation			
XXV-A.	L. Hydro-Electric Works—							
	Net Receipts ...	62·93	...	(75·00*) 25·00	28·75 (e)	116·68	...	* Increased Revenue anticipated on account of Jog installation. Out of this 1/3 or 25 lakhs may be immediately realisable and only this is taken into account for the present. (e) Increase anticipated by increases in rates.
		117·61	13·49	25·00	28·75	157·87	...	
	Total of all Revenue Heads.	1047·74	346·97	52·56	225·58	978·91	100·00	
	M. Industrial and Other Works—							
XXVII.	Iron and Steel Works and Cement Plant.	7·00	...	10·50	...	17·50	...	Increase anticipated by implementation of Development Plans.
XXVIII.	Kolar Gold Fields—							
	Net Receipts ...	1·05	...	...	...	1·05	...	
XXIX.	Industrial Works—							
	Profits ...	8·48	...	...	...	8·48	...	
	Transport Department	...	...	3·00	...	3·00*	...	* Net receipts anticipated on account of Nationalisation of Bus Services.
XXX.	Chamaraja Sagar and Water Works—							
	Net Receipts ...	3·90	...	...	...	3·90	...	
	Total—M ...	20·43	...	13·50	...	33·93	...	
	Total ...	1,068·17	346·97	66·01	225·58	1,012·84	100·00	

Major Head abstract showing proposed increases in Revenue and reductions in Expenditure.

(In Lakhs of Rupees.)

Major Head Number	Major Head	Budget Estimate.	(a) Proposed reduction in expenditure	(b) Increase in receipts appearing as reductions in expenditure.	Total (a+b)	Expenditure as expected to stand ultimately.	Remarks
	A. Direct Demands on Revenue—						
1	Land Revenue ...	48·30	6·17	...	6·17	42·13	
2	Forest ...	27·72	3·49	...	3·49	24·23	
3	Excise ...	7·10	1·75	...	1·75	5·35	
3A	Income-Tax ...	3·34	...	...	...	3·34	
3B	Miscellaneous Taxes	1·78	...	..	...	1·78	
4	Stamps ...	1·49	0·03	...	0·03	1·46	
5	Regislation ...	3·55	0·09	...	0·09	3·46	
	Total—A ...	93·28	11·53	...	11·53	81·75	
	B. Charges against Mining Revenue—						
7	Supervision of Mines and Other Charges.	3·94	0·06	...	0·06	3·88	
	C. Interest and Sinking Fund—						
8	Sinking Fund ...	18·78	...	...	...	18·78	
9	Interest on Debt and Other Obligations.	86·79	—5·00*	...	—5·00	91·79	*Increased interest payments anticipated consequent on increases in Savings Bank Deposit Certificats, etc. Increase partly also due to increase in rates. Reduction in rates on account of Insurance is set off.
	Total—C ...	109·51	—4·94	...	—4·94	114·45	
	D. Palace—						
11	Palace ...	37·25	3·00(c)	...	3·00	34·25	(c) Non-recurring expenditure provided in the current year Budget omitted in future years.
	E. Civil Administration.						
12	General Administration.	36·76	6·60	...	6·60	30·16	

(a) Detailed Statements working up to the figures entered here have been furnished in the Report.

Major Head Number	Major Head	Budget Estimats.	(a) Proposed reduction in expenditure	(b) Increase in receipts appearing as reductions in expenditure	Total (a+b)	Expenditure as expected to stand ultimately	Remarks
13	Muzrai Institutions ...	6·58	1·82	...	1·82	4·76	
14	Scientific and Miscellaneous Departments.	2·30	0·13	...	0·13	2·17	
15	Pensions and Allowances.	38·06	...	...	...	38.06	
16	Stationery and Printing.	11·54	2·15	1·00	3·15	8·39	
17	Miscellaneous ...	5·80	2·71	...	2·71	3·09	Reduction under equipment charges Broad Casting Station.
	Total—E ...	138·29	16·41	1.00	17·41	120·88	
	F. Protection—						
18	Courts of Law ...	19·29	1·72	...	1·72	17·57	
19	Jails ...	6·87	2·65	0·15	2 80	4·07	
20	Police ...	98·04	30·00	...	30·00	68 04	
21	Medical ...	75·21	13·58	...	13·58	61 63	
22	Public Health ...	24·41	1·33	...	1·33	23·08	
	Total—F ...	223·82	49·28	0·15	49.43	174·39	
	G. Public Works—						
23	Irrigation Works ...	62·45	23·58	...	23·58	38·87	*
24	Civil Works ...	29·33	10·50	...	10·50(d)	18·83	*
24A	Communications ...	58·94	23·00	...	23·00(e)	35·94	
	Total—G ...	150·72	57·08	...	57·08	93·64	
	H: Moral and Material Development—						
25	Economic Conference	0·82	0·42	...	0·42	0·40	
26	Education ...	275.12(c)	34·20(d)	0·50	34·70	240·42	
27	Agriculture ...	50·41	31·78(e)	2·50	34·28	16·13	
27A	Veterinary ...	21·42	6·71(f)	2·07	8·78	12·64	
27B	Horticulture ...	5·23	1·03	0.51	1·54	3·69	
27C	Sericulture ...	5·68	1·27	...	1·27	4·41	
28	Industries and Com....	9·23	0·59	...	0·59	8·64	
28A	Department of Labour and Labour Welfare.	11·19	9·00(g)	...	9·00	2·19	
29	Co-operative Societies	4·39	1·60(h)	...	1·60	2·79	
	Total—H ...	383·49	86·60	5·58	92·18	291·31	

*Reduction made in grants mostly lumpsum grants. The reduction in grant is only 6·89 lakhs. The balance represents proposed savings under Establishment and Travelling Allowance.

(d) This does not include provision for Buildings made separately in the Education, Police, Medical and other Budget as these are separately shown in the concerend Budget.

(e) This is only the State grant and does not include 28·33 lakhs receipts from taxation included under Road Fund which is also spent on communications.

(c) Provision for increased expenditure in subsequent years has not been taken into account; (d) The reductions are under buildings—Rs. 10 lakhs, Foreign Scholarship—Rs. 3 lakhs, S.J.O. Institute—Rs. 4·38 lakhs, Sri Chamarajendra Technical Institute—Rs. 1 lakh, Miscellaneous—Rs. 13·45 lakhs; (e) Omission of overlaping provision Rs. 4·27 lakhs, Deletion of subsidy to 'A' farm growers Rs. 10 lakhs, Non-recurring allotment for purchase of Tractors 9 lakhs, Lumpsum allotment for Development Schemes 5 lakhs, Other economies 3·51 lakhs; (f) Omission of provision under Development Schemes Rs. 1·5 lakhs, Scholarships Rs. 1 2 lakhs, Reductions under other heads 4 lakhs; (g) Omission of Lumpsum grant; (h) Omission of Lumpsum grant.

30	I. Local Self-Govt.— Grants for Public Improvements.	119·67	59 67	...	...	60·00	Reduction in lumpsum grant Rs. 22 lakhs, Reduction of Grant to Bangalore Trust Board Rs. 22·5 lakhs and small reductions under other heads.
31	J. Army and Defence- Army ...	83 26	23·29	1·75	25·04	58.22	
32	Subsidy to British Government.	...	...	...	...	...	
32A	Expenditure connected with Food and other control measures.	32·89	...	...	...	32·89	This expenditure will continue as long as control continues.
33	K. Famine Relief— Famine Relief ...	...	...	...	...	...	
	L. Miscellanous Railway and Electrical Expenditure—						
35	Mis. Ry. Expenditure	0·61	0·50	...	0·50	0·11	
36	Mis. Electrical Expenditure.	0·05	...	...	...	0·05	
	Total of all Service Heads.	1,335·59	299·42	8·48	317·90	1,027·69	
	Contributions to Funds-						
	(1) Road Fund ...	17 00	4·38	...	4·38	12·62	
	(2) Irrigation Development Fund.	15·00	...	...	...	15·00	
	(3) Inter-Village Road Fund.	3·00	...	...	...	3·00	
	(4) Industrial Development Fund.	2·00	...	...	...	2·00	(l) The expenditure on "23. Irrigation" now is 62·45 lakhs. It is proposed to reduce this as under the leaving net expenditure at Rs. 38·87. Twelve lakhs out of this is the State grant and the balance *i.e.*, 26·87 is met from Irrigation Development Fund.
	(5) Special Reserve Fund.	...	...	...	...	...	
	Total ...	37·00	4·38	...	4·38	32·62(k)	

Major Head abstract showing proposed increases in Revenue and reductions in Expenditure.

In Lakhs of Rupees.

Major Head Number.	Major Head	Budget Estimate	(a) Proposed reduction in Expenditure.	(b) Increases in receipts appearing as reductions in expenditure.	Total (a+b)	Expenditure as expected to stand ultimately.	Remarks
	Total Expenditure						Expenditure on Nugu Project transferred to Capital. 8·00 lakhs
	Deduct—Expenditure met from funds—						Reduction under Original Works ... 10·00 ,,
	(1) Irrigation Development Fund.	40·45	13·50(l)	...	13 50	26·95	Restoration of Minor Tanks ... 5·00 ,, (n)
	(2) Road Fund ...	38·82	2·80	...	2·88	35·94	Repairs ... ... 0·50 ,,
	(3) Special Reserve Fund.	...	...	...	...		Lift Irrigation ... ... 0·08 ,,
							23·58
	Total ...	79·27	16·38	...	16·38	62·89(m)	
	Net Expenditure met from Revenue.	...	...	...	...	...	(m) The grant for Minor Tanks may be restored to the full if the Department can manage the expenditure and the Revenue position admits of it.
	Excess Revenue over Expenditure on Surplus.	...	...	...	...	...	
	Total ...	...	...	...	...	...	

ABSTRACT.

	Rs. in lakhs.		Rs. in lakhs.
Total receipts ...	... 1,012·84 lakhs.	Deduct expenditure met from Funds.	62·89 (m)
Total expenditure ...	1,027.69	Total ...	997·42
Additional Contribution to Funds.	32·62 (k)	Net excess of Receipts over Expenditure. ...	15·42
Total ...	1,060·31		1,012·84

ANNEXURE No. V-(1).

(Chapter II, Para 2. Page 10.)

Statement showing the growth of Revenue and Expenditure since 1881-82 to 1948-49.

(In thousands of Rupees).

Year	Revenue	Expenditure
1881—82	108,51	119,33
1882—83	106,50	116,12
1883—84	109,47	110,86
1884—85	104,49	105,53
1885—86	118,74	107,64
1886—87	128,72	110,25
1887—88	132,55	117,80
1888—89	132,90	121,06
1889—90	144,74	129,98
1890—91	146,41	133,77
1891—92	160,44 (15 months)	175,68
1892—93	169.64	165,81
1893—94	173,60	156,87
1894—95	180,75	163,90
1895—96	182,86	162,82
1896—97	177,43	170,58
1897—98	192,91	165,98
1898—99	179,77	200,22
1899—00	190,03	321,17
1900—01	191,80	212,24
1901—02	191,96	214,61
1902—03	208,13	207,66
1903—04	215,58	220,08
1904—05	217,96	218,88
1905—06	241,95	231,40
1906—07	251,74	231,79
1907—08	241,41	214,92
1908—09	222,72	222,72
1909—10	219,59	184,39
1910—11	227,85	187,22
1911—12	230,59	191,09
1912—13	255,82	187,50
1913—14	264,85	201,07
1914—15	253,18	206,82
1915—16	273,97	210,68
1916—17	299,04	247,22
1917—18	315,25	285,08
1918—19	294,00	294,00
1919—20	313,00	313,00
1920—21	313,00	328,00
1921—22	312,00	327,00
1922—23	331,00	331,00
1923—24	333,00	332,00
1924—25	345,00	340,00
1925—26	346,37	346,03
1926—27	338,69	347,40
1927—28	360,81	360,40
1928—29	374,58	374,02
1929—30	375,40	375,35
1930—31	332,35	394,29
1931—32	337,47	356,04
1932—33	338,28	356,16
1933—34	342,87	365,09
1934—35	367,66	365,45
1935—36	385,76	383,22
1936—37	400,25	399,58
1937—38	395,54	394,55
1938—39	398,28	397,49
1939—40	417,98	414,97
1940—41	475,18	472,87
1941—42	516,79	516,09
1942—43	638,95	636,91
1943—44	857,29	854,49
1944—45	1001,38	999,38
1945—46	992,27	813,11
1946—47	1176,82	1076,07
1947—48	1076,82	1177,28
1948—49 (Budget)	1068,17	1335,59

ANNEXURE No. V-(2).
(Chapter II, Para 3). Page 11.

Statement of Revenue and Expenditure under several heads from 1930–31 to 1938–39.

(Rupees in lakhs.)

Heads of Revenue	1930—31	1931—32	1932—33	1933—34	1934—35	1935—36	1936—37	1937—38	1938—39	Increase (+) or decrease (—) in 1938-39 as compared to		Remarks
										1930-31	1931-32	
Principal Heads of Revenue—												
I. Land Revenue ...	111·06	129·63	126·52	118·21	111·52	128·50	130·66	119·26	116·09	+5·03	—13·54	Fall due to (i) reduction of assessment on garden lands, (ii) remissions.
II. Forest—												
(1) Sandal oil ...	17·88	10·60	11·03	9·49	10·28	11·00	14·96	9·64	8·76	—8·57	—1·84	Fall due to reduction in prices.
(2) Other Forest Revenue ...	18·92	18·05	18·23	13·62	14·18	14·55	17·61	18·69	17·49	+3·57	+4·44	Increase mainly under Timber.
III. Excise ...	66·54	55·10	54·58	53·44	51·02	49·24	48·66	49·47	48·66	—17·88	—6·44	Fall due to (1) decrease in consumption, (2) introduction of prohibition, (3) distillation.
IV. Income-tax ...	12·86	13·64	12·73	19.80	23·82	23·45	22·33	29·93	28·20	+15·84	+14·56	Increase due to extra receipts from the Gold Mines, K.G.F (14·14).
IV-A. Miscelleneous Taxes ...	...	...	...	...	4·54	10·23	10·67	16·19	17·36	+17·36	+17·36	Increase due to levy of (1) Betting Tax (·38), (2) Excise duty on matches (4·07), Sugar and Power Alcohol (12·91).
V. Stamps ...	19·14	19·54	19·82	18·19	19·51	19·34	19·74	19·09	18·30	—0·84	—1·24	.....
VI. Registration ...	2·93	2·90	3·02	2·60	2·73	2·86	2·99	2·99	3·05	+0·12	—0·15	.....
Surplus Revenue of Assigned Tract—												.....
VII. Assigned Tract Revenue.	2·92	3·33	2·70	3·55	3·53	2·90	2·45	2·12	·89	—2·03	—2·44	
Mining Revenue—												
VIII. Mining Revenue ...	10·64	12·23	15·42	16·40	26·76	27·06	30·49	26·11	23·43	+12·79	+11·20	Increase due to rise in the price of gold and quality and extent of ores met with in the mines.
VIII-A. Duty on Gold ...	...	...	...	...	...	...	...	...	...	...	...	.....
IX. Interest ...	18·83	15·08	12·61	19·87	31·31	29·03	23·12	20·62	19·72	+0·89	+4·64	.....
Civil Administration—												
X. Scientific and Miscellaneous Departments.	·18	·16	·16	·18	·21	·34	·23	·27	·26	+0·08	+·10	.....

XI. Pensions and Allowances.	·71	·79	·69	·66	·83	·84	·82	·98	1·14	+0·43	+0·35	.....
XII. Stationery and Printing.	·77	·68	·21	·23	·29	·27	·25	·35	·33	—0 44	—0·35	.....
XIII. Miscellaneous ...	2·25	2·48	5·84	6·03	2·93	5·80	1·63	2·36	6·95	+4·70	+4·47	Increase due to gain on sale of investments.
Protection—												
XIV. Courts of law ...	·48	·44	·60	·60	·44	·63	·61	·51	·68	+0·20	+0·24	.....
XV. Jails ...	·02	·02	...	·01	·01	·01	·01	·01	·01	—0·01	—0·01	.....
XVI. Police ...	·13	·12	·17	·12	·17	·11	·16	·45	·45	+0·04	+0·35	.....
XVII. Medical ...	·44	·68	·74	·71	·94	·76	·93	·96	·96	+0·52	+0·34	.....
XVIII. Public Health ...	·29	·47	·40	·28	·29	·30	·15	·15	·25	—0·04	—0·22	.....
Public Works—												
XIX. Civil Works ...	·99	1·23	1·12	1·02	1·19	1·26	2·18	2·96	1·68	+0·64	+0·40	.....
XIX-A. Communication ...	4·67	4·25	5·98	6·06	6·36	...	...	...	...	...	...	.....
Moral and Material Development—												
XX. Education ...	2·15	2·21	2·32	2·28	2·24	2·46	2·59	2·69	2·80	+0·65	+0·59	.....
XXI. Agriculture ...	·64	·74	·44	·44	·53	·45	·36	·53	·59	—0·05	—0·15	.. ...
XXII. Industries and Commerce.	·18	·26	·24	·22	·31	·23	·25	·31	·37	+0·19	+0·11	.....
Army and Defence—												
XXIII. Army ...	·80	·61	·37	·48	·43	·32	·29	·25	·24	—0·56	—0·37	.....
Railways Revenue Account—												
XXIV. Railways (Net Receipts).	14·55	15·72	14·76	14·69	10·88	12·15	18·41	18·86	25·27	+10·72	+9·55	.....
XXV. K.R.S.—												
Hydro-Electric and Irrigation Works (Net Receipts)—												
(1) Electric Works ...	34·15	32·72	34·12	35·90	39·22	39·65	41·59	42·95	46·69	+12·54	+13·97	Increase due to (*a*) larger revenue realised from the K.G.F. Mines and new installations (Rural and Urban), (*b*) power supply to Bhadravathi and (*c*) Installation of automatic telephones.
(2) Irrigation Works ...	—·37	—1·25	—·97	—1·09	—1·18	·28	·58	1·97	1·10	+1·47	+2·35	.....
Industrial and Other Works Revenue Account—												
XXVII. Iron Works ...	—6·93	—1·82	—2·16	—4·55	—2·21	...	...	...	...	...	...	.....
XXVIII. K.G.F. Water Works (Net Receipts).	·72	·83	·94	1·04	1·18	1·23	1·40	1·46	1·49	+0·77	+0·66	.....
XXIX. Industrial ...	—·14	1·07	·65	·76	·88	·51	·56	·97	1·60	+1·74	+0·53	.....
XXX. Sri Chamaraja Sagara and Water Works (Net Receipts).	...	...	...	1·63	2·52	...	3·67	2·44	3·79	+3·79	+3·79	.....
Total Revenue ...	232 35	337·47	338·28	342·87	367·66	385·76	400·25	395·54	398·28	+65·93	+60·81	.....

(Rupees in Lakhs).

Heads of Expenditure	1930—31	1931—32	1932—33	1933—34	1934—35	1935—36	1936—37	1937—38	1938—39	Increase (+) or decrease (—) in 1933—39 as compared to 1931—32	Remarks
Director demands on Revenue—											
1 Land Revenue ...	30·18	27·56	27·10	27·06	27·35	27·95	27·74	27·99	27·98	+0·42	
2 Forest ...	15·37	11·69	12·11	12·38	11·98	12·21	12·70	12·79	14·18	+2·49	Due to increased expenditure under the head "Conservancy and works"— (*i*) Other produce Rs. ·97, (ii) Supply of bamboos to paper mills Rs. ·82 and (iii) Special charges Rs. ·68 (*Viz.* Kheddas operations conducted in connection with the Viceregal Visit)
3 Excise ...	4·49	3·86	3·88	3·85	3·73	3·78	3·88	3·88	3·95	+0·09	
3A Income-tax ...	·81	·69	·65	·61	·60	·63	·67	·69	·66	—0·03	
4 Stamps ...	·82	·55	·56	·52	·52	·54	·54	·55	·57	+0·02	
5 Registration ...	1·83	1·74	1·70	1·72	1·73	1·73	1·75	1·73	1·73	—0·01	
Charges against Mining Revenue—											
7 Supervision of Mines and other charges.	2·18	1·97	2·06	2·10	2·09	2·16	2·22	2·01	2·06	+0·09	
Interest and Sinking Funds—											
8 *Sinking Fund* ...	18·78	18·78	18·78	18·78	18·78	18·78	18·78	18·78	18·78	...	
9 Interest on Debt ...	53·33	52·37	51·44	57·16	60·54	69·66	60·81	62·69	58·40	+6·03	Increases— (*a*) Interest on debt Rs. 3·71—The public debt increased from Rs. 1531·40 lakhs in 1931—32 to Rs. 1241·42 lakhs in 1938—39, (*b*) Interest on other Rs. 2·61 obligations Increase due to Increases in Balance of funds.
Palace—											
11 Palace ...	26·10	23·79	24·89	24·74	24·74	26·04	25·80	26·14	26·16	+2·37	
Civil Administration—											
12 *General Administration* ...	16·44	14·58	13·50	13·86	13·21	13·39	15·70	14·04	17·61	+3·03	Increase mainly due to (*a*) Viceregal Visit Rs. (2·73) and (*b*) expenditure on account of special committees *viz.*, the Vidurswatha Disturbances Enquiry Committee and the Constitutional Reforms Committee.

13	Muzrai Institutions ...	3·60	3·52	3·51	3·51	3·51	3·49	3·51	3·53	3·51	—0·01	
14	Scientific and Miscellaneous Departments.	1·86	1·58	·92	·80	·75	·81	·95	·85	1·01	+0·57	
15	Pensions and Allowances	16·06	17·90	19·70	19·93	20·22	22·52	23·19	24·24	25·33	+7·43	Increase is mainly under the head "Superannuation and Retired Allowances Rs. (5·90)".
16	Stationery and Printing ...	3·11	2·64	1·93	2·17	1·86	2·37	2·23	3·17	2·65	+0·01	
17	Miscellaneous ...	1·54	·89	1·27	1·25	1·87	2·71	4·36	3·24	1·48	+0·59	
Protection—												
18	Courts of Law ...	11·51	10·63	10·32	10·60	10·84	11·30	11·59	11·54	11·54	+0·91	
19	Jails ...	1·08	1·03	1·07	1·02	1·09	1·31	1·24	1·19	1·19	+0·16	
20	Police ..	19·32	17·71	18·13	18·53	18·96	19·00	19·14	19·71	20·69	+2·98	Increase due to increased expenditure under—(*a*) C.I.D. Rs. ·12 (*b*) Police Force Rs. 2·63 (*c*) Railway Police Rs. ·12 on account of increase in the strength of the Police Force and improvement of pay of constables and higeer ranks.
91	Medical ...	12·18	11·80	12·02	12·37	13·04	13·05	14·22	15·49	17·12	+0·32	
22	Public Health ...	2·12	2·20	2·30	2·43	2·37	2·39	2·52	2·77	2·61.	+0·41	
Public Works—												
23	Irrigation works, Charged to Revenue.	12·62	10·56	10·81	11·47	13·19	12·18	11·96	12·44	14·34	+3·78	The additional allotments sanctioned for (*a*) the Marconahally Project Rs (2·00) and (*b*) the three tank works in the Goribidanur, Dodballapur and Bowringpet Taluks *viz.*, Rs. (0·80) sanctioned during 1938-39 mainly account for the large increase in expenditure noticed under this item.
24	Civil Works ...	8·55	5·38	7·40	7·64	6·12	7·31	10·72	11·21	14·49	+9·11	Due to increase under (*a*) original works Rs. (6·99), (*b*) Establishment Rs. (·28), (*c*) Travellers Bungalows Rs. (·53), (*d*) Civil works in charge of the Bureau of Sanitary Engineering Rs. (·62), and additional allotments found necessary for certain civil works.
24A	Communications ...	13·88	10·46	16·42	12·37	13·28	4·68	5·32	4·00	4·00	—6·46	Due to change in the classification of accounts whereby the entire expenditure on roads and bridges was transferred from 24A to the Road Fund constituted in 1935-36.

(Rupees in lakhs.)

Head of Expenditure	1930—31	1931—32	1932—33	1933—34	1934—35	1935—36	1936—37	1937—38	1938—39	Increase (+) or decrease (—) in 1938-39 as compared to 1931-32.	Remarks
Moral and Material Development—											
25 Economic Conference ...	1·04	...	...	...	...	...	...	...	...		.....
26 Education ...	53·48	47·82	47·63	48·94	47·47	49·29	52·78	51·75	54·00	+6·18	Increase is noticeable under the following items—(*a*) Mysore University Rs. 1·30 (*b*) High School Education Rs. ·56 (c) Middle Schools Rs. ·87, (*d*) Primary Education Rs. ·76, (*e*) Buildings Rs. 2·00, (*f*) Industrial Schools. 14. The enhanced expenditure is due to (1) restoration of salary cut imposed previously; (2) grant of improved scales of pay to the tutorial and other staff of the University. (3) Increase in the number of educational institutions and large additions to staff in view of the increasing strength in the several schools.
27 Agriculture ...	14·26	10·82	9·61	9·47	9 41	9·74	9·90	10·83	11·23	+0·41	.....
28 Industries and Commerce.	2·20	1·83	1·54	1·65	1·60	1·56	1·56	1·55	1·78	—0 05	.....
29 Co-operative Societies ...	1·66	1·40	1·32	1·31	1·18	1·29	1·27	1·37	1·49	+0·09	.....
Local Self-Government—											
30 Grants for Public Improvements.	5·85	3·74	3·39	4·25	4·17	5·06	5·75	8·21	9·35	+5·61	Due to increased provision for schemes of public improvement such as:—(*a*) Bangalore City Improvement Rs. ·55 (*b*) Improvement of Water Supply in Towns Rs. 1·27, (*c*) Improvement of Towns and Minor Municipalities Rs. ·51, (*d*) Mysore City Improvement Fund Rs. ·35, (*e*) Rural Reconstruction Rs. ·81, (*f*) Drinking Water Wells in Villages Rs. 2·42.

Army and Defence—											
31 Army ...	17·13	15·16	13·95	13·93	14·42	15·10	14·87	14·79	15·67	+0·51	
32 Subsidy to British Government.	24·50	24.50	24·50	24·50	24·50	24·50	24·50	19·11	19·11	—5·39	Decrease due to reduction in subsidy in 1937-38.
Miscellaneous Railway and Electrical Expenditure.—											
35 Miscellaneous Railway expenditure.	.02	·05	·01	·01	—·06	—0·20	...	...	·02	—0·03	
36 Miscellaneous Electrical expenditure.	...	·14	·05	...	·01	·01	·23	·09	—·23	...	
Special Reserve for non-recurring expenditure.	...	...	...	...	...	...	9·00	5·00	...	...	
Contributions to Development Funds.	...	...	...	...	...	...	...	...	...	...	
Total Expenditure ...	397·89	159·34	364·47	370·93	375·06	386 41	401·40	397·37	404·46	+45.12	
Deduct expenditure met from balances at credit of reserve and other funds.	3·60	3·30	8·31	5·84	6·61	3·19	2·82	2·82	6·97	+3·67	
Total expenditure charged to Revenue.	394·29	356·04	356·16	365·09	368·45	383·22	398 58	394.55	397·49	+41·45	

ANNEXURE No. VI.

(CHAPTER II—PARA 4. Page 12.)

Statement of Assets and Liabilities. (In thousands of rupees)

Heads of Accounts	1930-31	1938-39	1946-47	1947-48	1948-49
ASSETS	Rs.	Rs.	Rs.	Revised Rs.	Budget Rs.
I. Cash and Investments—			334·66	189·67	164·67
(i) Case Balance	1,06·45	97·07	279 67	223 20	141·37
(ii) Investment Account	4,24·25	5,93·19	2735·00	2432 65	1666·37
(iii) Advances	71·94	99·33	187·01	222·44	215 79
(iv) Loans	33·13	64·00	50·54	74·11	99·70
(v) Railway Sterling Loan Sinking Fund Investment Account ...	1,24·65	...	...	...	...
(vi) Departmental Balances	...	...	3·17	3·17	3·17
Total	7,60·42	8,53·59	3593·05	3145·24	2236·07
II. Capital—					
(i) Mysore State Railway worked by M. & S. M. Railway Company ...	2,07·84	12·43	...	...	...
(ii) Railways worked by the State	3,57·27	6,43·90	702·60	738·62	826·37
(iii) Krishnarajasagara Hydro-Electric and Irrigation Works—					
(*a*) Dam and Irrigation Works	6,87·50	4,56·52	507·10	515·24	522·73
(*b*) Hydro-Electric Works	2,69·53	4,04·93	976·79	1160.92	1542·40
(iv) Sandal Oil Factories	7·81	8·14	...	...	...
(v) Industrial and other works	3·30	12·73	193·86	211·70	284·46
Industrial Concern: Cotton Ginning Factory ...	...	...	...	...	...
(vi) Kolar Gold Fields Water Works	18·12	18·09	...	...	...
(vii) New Bangalore Water Supply Project (Chamarajasagar and Water Works).	19·01	67·85	...	...	...
(viii) Iron and Steel Works and Cement Plant	1,26·89	1,69·01	213·94	248·44	357·69
(ix) Electric Factory	...	3·88	...	...	...
(x) Commutation of Pensions	6·03	9·66	...	...	...
(xi) Other Irrigation Works not met from Revenue ...	...	12·87	6·52	31·52	73·02
Food Supplies Dept. transaction not met from Revenue ...	...	...	—7·88	142·12	122·12
Total II	14,03·30	18,20·01	2592·84	3048·56	3728·79
Grand Total	21,63·72	26,73·60	6185·89	6193·80	6019·86

LIABILITIES

	Rs.	Rs.	Rs.	(Revised) Rs.	(Budget) Rs.
I. Debt—					
Four per cent State Loan of 1906-07	...	..	...	...	...
Five and half per cent Mysore Conversion Loan 1919-20 ...	7·74	0·04	—·05	—·05	—·05
Six and quarter per cent Mysore State Loan 1940 ...	1,19·35	1,02·53	1·42	1·42	1·42
Six and half per cent Mysore State Loan 1941-51 ...	30 50	25·39	0·73	0·73	0·73
Five and half per cent bonds 1938	2,54·88	2·86	0·66	0·66	0·66
Four per cent Mysore Railway Sterling Debenture Loan of 1886 ...	1,60·62	...	..	...	...
Seven per cent Mysore State Loan 1931	1,04·59	0·10	0·07	0·07	0·07
Five per cent Mysore State Loan 1955	1,61·14	1,63 44	163·43	163·43	163·43
Shimoga District Board Railway Loan	3·59	3·35	0·59	0·59	0·59
Three and half per cent Mysore State Loan 1951-58 ...	...	50 00	50·00	50·00	50·C0
Four per cent Conversion Loan 1953-63	...	2,95 85	295·83	295 83	295·83
Three per cent Mysore State Loan 1956-61	...	1,99·73	599·71	599·71	599·71
Three per cent Mysore State Loan 1958	...	...	508·74	508·74	508·74
Total permanent debt ...	8,42·41	8,43·29	1620·23	1621·23	1621·23
S.B., Ins., F.D.R., etc. ...	3,77·35	5,77·82	1100·09	1097·79	1102·49
(ii) Unfuded Debt	18·37	69·73	457·21	453·45	442·29
(iii) Local and other Funds	42·68	57·56	227·48	247·48	267·48
(iv) Deposits	2,15·54	3,31·41	1861·72	1871·92	1218·76
(v) Reserve Funds	35·05	61 61	175·74	180·74	185·74
(vi) Miscellaneous	...	...	...	...	...
Total	15,31·40	19,41·42	5443·37	5472·51	5367·99
Excess of Assets over Liabilities	6,32·32	7,32·18	742·52	721·29	651·87
Grand Total	21,63·72	26,73·60	61,85·89	6193 80	6019·86

ANNEXURE VII.

(Page 13. Para 7.)

Statement of Revenue and Expenditure under the several heads from 1938-39 to 1948-49.

(In lakhs of Rupees.)

Heads of Revenue	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48 (Budget)	1948-49 (Budget)	Increase + or decrease — in 1948-49 as compared with 1938-39	Remarks
Principal Heads of Revenue.													
1. Land Revenue	116·09	124·77	126·77	127·69	128·46	127·46	131·24	111·02	139·06	127·74	135·74	+19·65	The increase under assessment on lands is only Rs. 14·35 lakhs. There has been an increase of Rs. 1·24 lakhs under temporary water-rate and Rs. 2·28 lakhs under other items mainly due to sale of lands, etc. It may be stated that our rates of Land Revenue have not been raised although the value of food grains and other produce from land has increased two to three times and in some cases *eg.*, coffee and cocoanuts the increase is over ten times.

II. Forest—												
(1) Sandal Oil...	8·76	9·01	11·20	12·71	11·04	7·36	21·54	38·77	51·83	35·79	33·00	+24·24
(2) Other Forest Revenue.	18·49	18·52	21·20	23·57	28·43	32·46	43·43	43·80	43·44	33·62	37·00	+19·51

The increase is mainly due to increased prices. The quantity of oil produced and sold in 1938-39 and now is:—

	Quantity	
	Produced lbs.	Sold lbs.
1938-39	... 128,245	128,314
1946-47	... 166,693	109,770
1948-49 (estimate)	121,000	120,000

	Revenue	
	Gross (In lakhs	Net of Rupees)
1938-39	... 10·13	8·86
1946-47	... 54·44	51·83
1948-49 (estimate)	34·99	33·00

The increase is mainly due to increase in rates and to a small extent to increased exploitation. The quantities exploited in 1938-39 and 1946-47 are noted below :—

	1938-39	1946-47
Timber ...	866,307 Cft.	9,53,551 Cft.
Bamboos ...	19,491 tons.	20,442 tons.

(In lakhs of Rupees).

Heads of Revenue	1939-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48 (Budget)	1948-49 (Budget)	Increase + or decrease — in 1948-49 as compared with 1938-39	Remarks
III. Excise ...	45·66	49·71	53·32	60·59	72·83	113·87	166·17	183·51	187·15	181·41	210·00	+161·34	Inspite of prohibition having been introduced in three districts and a five-mile dry belt in border areas adjoining Madras Presidency where prohibition has been introduced there has been a huge increase under this head mainly due to increasein rentals and increased consumption. The increase in the current year is partly due to the Excise Revenue of the Civil Station being included under this head. The increase in Revenue is also partly due to increases in rates of duty on arrack, opium, ganja and tree rent on toddy trees. The rates in 1938-39 and now are noted:—

	Rate of Duty				
	1938-39		1948-49		
	Rs.	a.	Rs.	a.	
Arrack ...	6	8	7	8	per gallon.
Opium (issue price).	85	0	175	0	per seer
Ganja ...	27	8	65	0	do
Tree tax—					
Date ...	3	0	4	0	per tree for 4 months.
Cocoanut ...	5	0	6	8	per tree for 6 months.

VI. Income-tax ...	28·20	29·59	45·12	42·06	54·05	103·94	174·37	129·53	152·50	155·50	144·35	+116·15

Increase due to (1) Income-tax in Civil Station being included under this head, (2) increase in rates, and (3) Increased income-tax and Super-tax from business. The increase in rates is noted below for ready reference.—

Rates of Income-Tax, 1938-39.

Grades of Income			Rate (Pies in the Rupee)
Rs.	Rs.		
2,400 to	4,999	...	3
5,000 to	9,999	..	4½
10,000 to	14,999	...	6
15,000 to	19,999	...	7½
20,000 to	29,999	...	9
30,000 to	39,999	...	12
40,000 to	49,999	...	15
50,000 to	149,999	...	18
150,000 and over		..	18
Companies and Registered Firms.—			
2,400 to	4,799	...	18
4,800 and over		...	18

1948-49

On the first	1,500	of total income	Nil.
On the next	3,500	,, ,,	5
Do	5,000	,, ,,	9
Do	10,000	,, ,,	15
Do	20,000	,, ,,	24
Do	20,000	,, ,,	36
On the balance of		,, ,,	42

Rates of Super-Tax, 1938-39.

Individual, Unregistered firms and Association of Individuals.

First Rs. 30,000	...	Nil
Every rupee of next 20,000	...	12
Every rupee of the remainder.		12

Hindu Undivided Families.

First Rs. 75,000	...	Nil
Every rupee of the remainder.		12

Companies.

Less than Rs. 2,400	The rates of super-tax for Companies was the same as the one for individuals.
Rs. 2,400 to 4,799	
4,800 upwards.	

(In lakhs of rupees).

Heads of Revenue	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48 (Revd.)	1948—49 (Bdgt.)	Increase + or decrease — in 1948-49 as compared with 1938-39	Remarks
IV-A. Miscellaneous Taxes.	17·36	16·10	21·85	21·99	17·73	28·67	64·72	60·93	74·62	68·02	107·94	+90·58	The following new duties have been levied since May 1943:— (a) Tobacco. (b) Vegetable Products. (c) Coffee. (d) Tea. (e) Cess on Sugarcane. The revenue from these additional duties account for 91·93 lakhs. The rate of duty on sugar has also been increased from Rs. 2 per Cwt. to Rs. 3 per Cwt. as compared to 1938-39. The rates on Tobacco, Coffee and Tea have been increased from March 1948. The Cess on sugarcane was levied from 24th July 1948 and is calculated at a rate not exceeding Rs. 6 per ton.
V. Stamps ...	18·30	17·80	16·53	19·63	22·38	26·10	26·25	31 54	33·07	37·40	37·41	+19·11	The increase is due to (1) increases in the value of property, (2) increase in rates and (3) increase in Court fees.
VI. Registration ...	3·05	3 03	3·02	3·54	4·68	5·62	5·40	6·47	7·03	7·50	7·50	+4·45	The increase is due to increase in the number of documents registered and is partly due to the surcharge.
Surplus Revenue of Assigned Tract.													
VII. Assigned Tract Revenue.	·89	2·38	1·57	4·14	9·38	17·93	36·03	55·54	66·61	85·87	17·98	+17·09	This represents the Revenue from April 1947 to August 1947 when this Tract was retroceded to the State and the receipts and expenditure were thereafter merged in the State Revenue under corresponding heads.

Mining Revenue.													
VIII. Mining Revenue.	23·43	26·32	20·32	21·85	15·81	27·41	11·97	9·41	14·19	13·76	13·66	−9·77	.....
VIII-A. Duty on Gold.	...	3·85	26·34	50·99	128·11	177·73	102·54	71·72	133·57	103·00	90·00	...	This is the proceeds of a duty of three-fourths of the amount by which the price of gold exceeds Rs. 100 an oz. or Rs. 40 a tola. Although the output of gold has fallen from 320, 906 ozs. in 1938-39 to 171,781 ozs. in 1947-48 the price of gold has risen from Rs. 36 per tola in 1938-39 to about Rs. 116 per tola in 1948-49. As conditions get stablized the price of gold would go down and our receipts from this source would thus contract.
Interest.													
IX. Interest ...	19·72	20·14	20·58	20·12	22·91	26·70	41·30	59·12	59·83	68·88	55·82	+36·10	Our investment in securities, fixed deposits, etc., has increased from Rs. 554·47 lakhs in 1938-39 to Rs. 1,666 37 lakhs in 1948-49. During this same period our Public Debt and Savings Bank and other Deposits and Funds have increased from Rs. 1,421·11 lakhs to Rs. 2,723·62 lakhs and our interest payments has increased from Rs. 58·40 lakhs to Rs. 86·79 lakhs.
Civil Administration.													
X. Scientific and Miscellaneous Departments.	·26	·34	·30	·33	·43	·32	·60	·93	·42	·61	·51	+0·25	.....
XI. Pensions and Allowances.	1·14	1·02	1·06	1·07	1·01	1·26	1·12	·99	0·97	1·07	0·99	−0·15	.....
XI. Stationery and Printing.	·33	·26	·25	·28	·36	·55	·42	·69	·62	0 63	·63	+·30	.....
XIII. Miscellaneous.	6·95	4·92	1·02	3·26	·94	3·23	29·68	22·52	23·73	10·91	17·55	+10·60	The increase is mainly due to anticipated receipts from sale of lands on account of industrial suburbs.
XIV. Courts of Law.	·68	·74	·78	·71	1·22	1·80	2·50	3·12	2·49	3·01	2·98	+2·30	The increase is under fees, forfeitures and miscellaneous.
XV. Jails ...	·01	·01	·01	·01	0·01	·02	·01	·04	·03	·04	·03	+0·02	.....
XVI. Police ...	·17	·14	·14	·18	·19	·14	·22	·54	·69	1·20	0·92	+0·75	.....
XVII. Medical ...	·96	1·26	1·35	1·54	1·82	2·18	2·40	2·42	3·06	3·53	3 73	+2·77	The increase is under Hospital receipts.
XVIII. Public Health.	·25	·16	·28	·40	·46	·41	·89	·63	·62	0·68	0·60	+·35	.....

(In lakhs of rupees).

Heads of Revenue	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48 (Revd.)	1948-49 (Bdgt.)	Increase + or decrease — in 1948—49 as compared with 1938—39	Remarks
Public Works.													
XIX. Civil Works.	1·63	1·38	1·58	1·72	1·53	1·76	2·12	2 63	2·44	2·71	2·48	+·85	.....
XIX-A. Communication.	...	...	...	...	...	...	...	...	...	...	...	...	.....
Moral and Material Development.													
XX. Education ...	2·80	3·34	3·03	3·25	3 61	3·98	3·81	4 80	5·41	5·91	6·17	+3·37	The increase is under fees and examination fees.
XXI. Agriculture.	·59	·42	·55	·47	·87	·84	1·04	·98	1·77	1·91	1·49	+·90	.....
XXII. Industries and Commerce.	·37	·47	·64	·86	·96	3·35	1·45	1·91	2·35	1·46	1·65	+1·28	.....
Army and Defence.													
XXIII. Army ...	·24	·21	·57	·25	·60	·72	·36	1·10	·66	·88	·83	+·59	.....
Railways and Revenue Account.													
XXIV. Railways— Net ...	25·28	27·49	26·60	21·89	36·11	56·24	59·26	57·87	66·71	31·25	48·49	+23·21	The increase is partly due to the increased traffic. The number Passengers carried and quantity handled in 1938-39 and 1945-46 are given below:—
Gross ...	81·88	84·57	93·56	100·70	116·90	157·42	178·81	182 00	200·46	187·69	192·68	...	

	1938-39.	*1945-46.*
Number of passengers carried.	7,426,270	15,851,595
Total tonnage and goods carried.	953,584	1,046,538

XXV. Krishnarajasagara Hydro-Electric Irrigation Works—													
(1) Electric Works-													
Gross ...	70·76	77·45	86·42	96·85	92·11	104·73	93·70	103·32	118·32	122·86	125·74	...	.....
Net ...	46·69	49·43	56·31	60 72	59·34	71·03	55·57	63·30	74·26	69·24	62·93	+16·24	.....
(2) Irrigation—													
Gross ...	4·76	5·58	5·73	6·50	4·85	4·95	5·83	7·43	9·46	10·50	11·81	...	.....
Net ...	1·10	2·01	1·56	2·39	·88	·91	1·11	3·02	4·01	4·77	5·36	+4·26	The increase is under Water-rate under Irwin Canal.
Industrial and Other Works—Revenue.													
XXVII. Iron Works—Gross ...	...	...	...	...	...	...	...	161·97	136·68	143·46	155·45	..	.....
Net ...	...	...	...	...	...	...	...	11·46	10·27	6·25	7·00	...	.....
XXVIII. K-G.F. Water Works—													
Gross ...	2·74	2·74	2·75	2·93	2·59	2·36	2·51	2·30	2·09	2·54	2·54	...	.....
Net ...	1·49	1·47	1·56	·76	1·35	1 03	1·10	1·06	·75	1·12	1·05	—0·44	.....
XXIX. Industrial Works—													
Gross ...	18·82	22·10	25·49	32·10	44·14	48·91	48·86	73·24	72·15	76·21	89·71	...	
Net ...	1·60	1·17	2·80	4·33	8·92	10·49	9·93	9·72	7·69	6·72	8·48	+6·88	The increase is mainly due to increased profits in several Government Concerns.
XXX. Sri Chamarajasagara Water Works—													
Gross ...	10·50	7·47	12·07	12·36	10·91	11·31	14·18	11·51	15·89	16·00	16·00	...	.....
Net ...	3·79	·47	·96	3·60	2·53	1·58	4·33	1·16	4·97	4·32	3·90	+·11	.....
Total Revenue ...	398·28	417·98	475·18	516·79	638·95	851·29	1001·38	392·27	1176·82	1076·82	1018·17	+669·89	

Note.—The figures are all in lakhs of rupees. The detailed reasons for increase in numbers, cost, etc., have been examined in Chapter V. Only very broad reasons are given here. In almost every department there has been an increase due to increase in numbers, revision of scales of pay and dearness allowance.

(In lakhs of rupees)

Heads of expenditure	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48 (Revised)	1948—49 (Budget)	Increase + or decrease — in 1948-49 as compared with 1938-39	Provision for High Price and Dearness Allowance in 1948-49 (Bdgt.)	Difference + or — in 1948-49 excluding Dearness Allowance	Remarks
1. Land Revenue.	27·98	29·21	29·39	29·68	31·60	31·69	32·64	31·90	33·47	43·38	48·30	+ 20·32	7·70	12·62	Increase is mainly due to (a) enhancement of potgi to Shanbhogues and Patels Rs. (5·78) lakhs; (b) increases in cost of District administration due to (i) increase in staff and revision in scales of pay Rs. (5·85); (c) larger provision under travelling allowance and other charges and dearness allowance Rs. (7·71) lakhs.
2. Forest ...	14·18	12·62	14·09	14·47	15·37	18·97	22·93	20·45	19·48	20·75	27·72	+ 13·5	3·14	10·40	Increase due to larger provision under (a) conservancy and works-*e.g.*, Timber, etc., Rs. (4·58); (b) executive and protective establishment, Rs (2·35), special provision for development schemes Rs. (2·50) lakhs in 1948-49 and dearness allowance Rs. (3·15).
3. Excise ...	3 95	3·84	4·01	3·98	4·26	4·51	4·86	4·81	4·72	6·08	7·10	+ 3·15	·38	1·77	Due to large expenditure under Superintendence Rs. (0·19) District Executive Establishment Rs. (1·64) and dearness allowance.
3-A. Income-tax.	·66	·68	·67	·63	·64	·75	·78	·83	1·27	2·57	3·34	+ 2·68	·66	2·02	Increase due to reorganisation and increases in scales of pay and grant of dearness allowance.

3-B. Miscellaneous Taxes.	...	...	...	...	...	·02	·18	1·08	1·14	1·49	1·78	..	·51	...	The expenditure is mainly on Establishment, Travelling Allowance, etc., on account of collection of excise due on matches, tobacco, vegetable products and coffee and tea.
4. Stamps ...	·57	·64	·68	·75	·89	1·84	·79	1·27	1·06	2·10	1·49	+ ·92	·77	·85	Increase due to (1) cost of water-marked paper Rs. (0 35) (2), discount on sale of papers Rs. (0 36), and (3) increased scales of pay and dearness allowance.
5. Registration	1·73	1·77	1·83	1·77	1·79	1·81	1·86	1·90	1·92	2·68	3·55	+ 1·62	·87	·95	Increase Rs. (0·90) mainly due to revision of scales of pay and partly to increase in numbers.
7. Supervision of Mines and other Explosives.	2 06	2·12	2·28	2·27	2·39	2·55	2 63	2·73	2·75	3·40	3·94	+ 1·88		1·78	Increase Rs. (1·53) due to increased charges under establishment transferred from Police, Medical and other departments. There is also a slight increase of Rs. (0·25) under supervision and reorganisation of the Department.
8. Sinking Fund.	18·78	18·78	18·78	24·78 (a)	23·78 (a)	23·78 (a)	23·78(a)	16·78	18·78	18·78	18·78	...	...	...	A fixed contribution of 18·78 lakhs is being made towards Sinking Fund irrespective of the public debt outstanding. (a) Additional contributions made to sinking fund from the surpluses.
9. Interest ...	58·40	53·76	52·77	49·58	50·08	51·18	61·58	64·09	73·39	86·19	86·79	+ 28·39	...	...	The increases are as under :—

	1948-49 over *1938-39*
1. Interest on Debt	55 13 39·64
2. Interest on other obligation.	31·65 19·26

The public debt in 1939-40 was Rs. 8·41 crores and in 1948-49 Rs. 16·21 crores. This accounts largely for the increase under interest. The increases in balances under State Life Insurance Fund, Endowment Funds and Five-year Savings Certificate also account for the increases under interest on other obligations.

(In lakhs of rupees)

Heads of Expenditure	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48 (Revised)	1948-49 (Budget)	Increase + or decrease — in 1948-49 as compared with 1938-39	Provision for High Price and Dearness Allowance in 1948-49 (Bdgt.)	Difference + or — in 1948-49 excluding Dearness Allowance	Remarks
11. Palace ...	26·16	26·01	25·43	25·40	25·40	25·40	25·40	25·28	28·25	42·25	37·25	+ 11·09	...	...	Increase due to (1) enhancement of the Palace Civil List Rs. (9.00) and (2) Extra Provision in 1948-49 Rs.(3·00) for non-recurring expenditure. There is a small reduction under Pensions and Allowances to the Ruling Family.
12. General Administration.	17·61	14·86	18·05	17·35	17·06	16·93	19·05	24·22	34·65	32·17	36·76	+ 19·15	7·79	11·36	The increase under this head is nearly 20 lakhs and is distributed as under all the sub-heads noted below:— 1. Staff and Household of His Highness. 2. Dewan and Ministers. 3. Legislature. 4. Civil Secretariat. 5. Audit Department. 6. Kannada Translation. 7. Efficiency Audit Office. 8. Commissioner of Refugese. 9. High Price Allowances. The aeroplane establishment Rs. (1·10) increases under catering and miscellaneous Rs. (0·22) and smaller increases under other heads in addition to increases in scales of pay account for the increase under staff and household of His Highness. The increase in salaries Rs. (0·65) and T.A. Rs. (0·39) and other charges Rs. (0·31) mainly account for the increases under Dewan and Ministers.

13. Muzr ...	3·51	3·64	3·52	3·53	3·55	3·62	3·65	3·51	4·56	3·90	6·58	+ 3·07	·13	2·94	Increase due to increased expenditure under (i) construction and repairs to Muzrai Institutions Rs. (2·63) and (ii) Sanskrit Colleges and Patasalas Rs. (0·21). The rest of the increase is mainly due to revision of salaries.
14. Scientific and Miscellaneous Departments.	1·01	1·05	2·06	2 08	1·49	1·13	2·53	2·35	1·91	2·16	2·30	+ 1·29	·35	·94	Increase due to reorganisation of the Geological Department and revision of pay Rs. (·63) and inclusion of the Archæological Department under this head.
15. Pensions and Allowances.	25·33	25·42	28·64	28·21	28·96	29·92	38·00	30·92	35·72	33·53	38·06	+ 12·73	3·5	9·23	Increase due to increase under superannuation and retired allowances Rs. (11·2) and provision for dearness allowance to pensioners Rs. (3·50). There is a small reduction under commuted value of pensions on account of a change in procedure.

Increases in T. A. and Lunch charges account for the large increases under Legislature.

Under Civil Secretariat there is an increase of Rs. 1·08 under Salaries and Rs. 2·5 under Establishment due both to revision of scales of pay and increase in numbers. There is an increase of Rs. ·24 under Contingencies.

The increase under Comptroller's Office is 1·31. But taking all Audit Offices together the expenditure now is Rs. 12·33 against Rs 3·39* in 1938-39. The increase is due to reorganisation, formation of separate Audit Offices and increase in numbers. (*Does not include expenditure on Railway, Electrical and Education Audit Offices).

The Efficiency Audit Office is a new establishment accounting for an expenditure of Rs. 1 07 lakhs.

The Commissioner of Refugees is a new office and is likely to be abolished shortly.

(In lakhs of rupees)

Heads of Expenditure	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47 (Revised)	1947—48 (Revised)	1948—49 (Budget)	Increase + or decrease — in 1948-49 as compared with 1938-39	Provision for High Price and Dearness Allowances in 1948-49 (Bdgt.)	Difference + or — in 1948-49 excluding Dearness Allowance	Remarks.
16. Stationery and Printing.	2·65	3·26	4·25	4·71	4·17	3·28	7·37	5·61	5·34	8·46	11·54	+ 8·89	1·26	7·63	The increases are as under:— (1948-49 / 1938-39) 1. Stationery Depot 5·67 / 1·83; 2. Printing and Gazette. 4·72 / 1·16; 3. Government Book Depot. —0·12 / ·08; 4. High Price and Dearness Allowances. 1·27 / ... The increase under Stationery Depot mainly due to increase in cost of paper. The increase under Printing and Gazette Office Rs. (1·80) is mainly due to revision of scales of pay of the staff and provision for purchase of machines Rs. (1·50). There is an appreciable increase also under over-time allowance.
17. Miscellaneous.	1·48	1·81	1·15	3·48	2·35	2·63	1·38	22·64	2·56	2·46	5·80	+4·32	·30	4·02	The increase is mainly on account of the Broadcasting Station Rs. (4·29 lakhs in 1948-49) and provision made for the first time for the Special Officer for Disposal of Surplus Stores Rs. (·13) counterbalanced by small savings under other heads.

18. Courts of Law.	11·54	11·87	12·33	12·64	12·23	12·23	12·43	12·34	13·00	15·73	19·29	+7·75	3·37	4·38

The increases are as under and are mainly due to increase in number of Courts, revision of salaries and establishment including Process establishment:—

	1948-49	
	Salaries	Establishment
1. High Court ...	1·10	0·90
2. Law Officers ...	0·34	0·06
3. District and Civil Courts including Process Serving Establishment.	1·82	5·26
4. Criminal Courts...	1·51	0·80

	1938-39	
	Salaries	Establishment
1. High Court ...	0·08	0·47
2. Law Officers ...	0·19	0·03
3. District and Civil Courts including Process Serving Establishment.	1·87	3·52
4. Criminal Courts ..	1·27	0·63

19. Jails ...	1·19	2·43	1·92	1·89	3·14	5·93	3·83	2·45	4·42	6·27	6·87	+5·68	0·55	5·13

Due to increased expenditure on account of (*a*) Superintendent Rs. (·17) (*b*) Jails and Lock-ups Rs. (2·70) and more particularly under Rations, Dietary, Hospital, Charges, Clothing and bedding Rs. (1·67). A provi-sion of Rs. 2 lakhs towards Capital equipment for "Jail Manufactures" has also been made in the Budget for 1948-49.

(In lakhs of Rupees)

Heads of Expenditure	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48 (Revised)	1948—49 (Budget)	Increase + or decrease — in 1948-49 as compared with 1938-39	Provision for High Price and Dearness Allowance in 1948-49 (Bgt.)	Difference + or — in 1948-49 excluding Dearness Allowance	Remarks
20. Police ...	20·69	20·76	21·19	23·97	24·76	22 92	22·94	21·16	35·44	56·10	98·04	+77·35	22·62	54·73	The increase under the several sub-heads are as under:—

	1948-49	*1938-39*
1. Superintendence	1·09	0·52
2. Criminal Investigation Department.	1·13	0·25
3. Police Force ..	57·97	19·20
4. Police Training School.	0·27	0·15
5. Kolar Gold Fields Police Force.	1·71	1·00
6. Railway Police...	2·10	0·56
7. Emergency Police	5 85	...
8. Buildings	7·00	...
9. High Price and Dearness Allnce.	22·62	...
Total ...	98·04	20·68

Increases under every head are due to revision of pay and increase in numbers. This is particularly noticeable under 3 Police Force and under Railway Police. A provision of Rs. 3·5 lakhs under Police Force for the Home Guard organisation is an additional item. The expenditure under Emergency Police Rs. (5·85) which used to be shown under 32 (*b*) Expenditure connected with War is shown under this head. In addition to the above a sum of Rs. 22·63 lakhs for Dearness Allowance to staff and of Rs. 7 lakhs for Buildings have also been included in the Budget for 1948-49.

21. Medical ...	17·12	16·02	17·23	20·65	20·77	25·75	27·18	28·72	32·94	48·34	75·21	+58·09	8·05	50·04

Under Travelling Allowance, Contingencies and Other Charges, the comparative figures for 1938-39 and now are noted below :—

Year	Travelling Allowance	Contingencies.	Other Charges
1938—39 ...	2·13	0·47	1·19
1948—49 ...	5·39	2·23	8·36

The figures by sub-heads for 1938-39 and now are noted below :—

	1938-39	*1948-49*
1. Superintendence	0.28	0·45
2. Hospitals and Dispensaries.	14·09	39·63
3. Medical Stores	2·70	7·30
4. Mental Hospital	0.27	1·63
5. Medical School	0·64	0·28
6. Ayurvedic and Unani College and Dispensary, Mysore	0·20	...
7. Department of Indian Medicine.	...	3·31
6A. Development Scheme.	...	7·19
6B. High Price and Dearness Allowance.	...	8·52
7. Buildings ...	...	8·05

During this period the number of Medical institutions has increased by 92 and there has been a large expansion of existing institutions. The inclusion of the Hospitals in the C. and M. Station account for over Rs. 6 lakhs. Increased expenditure on diet of patients, linen, etc., account also for a good bit of the increase.

The Department of Indian Medicine Rs. (3·31) is a new item. Provision of Medical buildings Rs. (8·05) and Development Schemes Rs. (7·19) have added to the expenditure.

(In lakhs of rupees)

Heads of Expenditure	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48 (Revised)	1948—49 (Budget)	Increase+or decrease—in 1948-49 as compared with 1938-39	Provision for High Price and Dearness Allowance in 1948-49(Bdgt.)	Difference+or—in 1948-49 excluding Dearness Allowance	Remarks
22. Public Health.	2·61	2·14	2·70	3·31	3·82	4·26	5·29	7·86	7·09	9·59	24·41	+21·80	2·03	19·77	The increase is mainly under District Charges Rs. (6·88), control of plauge and other epidemics Rs. (·41). A sum of Rs. 12 lakhs is also provided for 1948-49, in connection with the opening of Health Units in the Malnad Krishnarajanagar and other taluks.
23. Irrigation Works.	14·34	21·18	27.15	27·80	25·54	23·06	26·89	33·29	40·37	51.17	62·45	+48·11	1·06	47·05	Due to increase under (1) original works, major Rs. (18·78) and minor Rs. (99) ; (2) Restoration of Minor tanks Rs. (13·74) and (3) Salaries Rs. (1·82). The comparative figures are noted below :—

	1938-39	*1948-49*
(*a*) Original Works —Major.	14·15	32·93
(*b*) Original Works —Minor.	0 51	1·50
(*c*) Restoration of Minor tanks.	1·26	15·00*
(*d*) Salaries ...	0·27	0·88
(*e*) Establishment .	0·67	2·48

*Rs. 10 lakhs is to be met out of Special Reserve Fund.

In the Budget 1948-49, under Original Works—Major, a provision of Rs. 12·98 lakhs for all incomplete works under the normal programme and Rs. 18·95 lakhs for Works under Development Programme has been made. A provision of one lakh is made for additional requirements.

24 Civil Works.	14·49	18·39	18·69	12 25	10·23	13·93	22·82	23·99	28·49	36·90	29·33	+14·84	3·10	11·74
24-A. Communications.	4·00	4·00	25·47	15·98	14 04	20·65	38·78	86·50	33·42	47·92	58·94	+54·94	...	...
25 Economic Conference.	...	...	...	...	...	·12	·31	·85	·74	·53	·82	...	·11	...

The figures under the minor heads are noted below :—

	1938-39	1948-49
1. Original Works ...	10·09	17·57
2. Repairs ...	1·32	3·46
3. Travellers' Bungalows.	0·53	1·19
4. Establishment in charge of P. W. Officers.	1·54	2·52
5. Civil Works in charge of the Bureau of Sanitary Engineering.	0·62	1·42

The comparative figures are noted below :—

	1938-39	1948-49
Roads—		
Original Works ...	3·43	19·50
Repairs ...	18·54	24·15
Total ...	21·97	43 65*
Bridges—		
Original Works ...	1·12	11·30
Repairs ...	0·16	00·20
Total ...	1·28	11·50*

*Rs. 20·12 lakhs debitable to Special Reserve Fund. Rs. 18·1 lakhs under Roads and Rs. 2 lakhs under Bridges.

The increases in expenditure under Irrigation, Roads and Buildings are party due to the increase in rates under several items, the increase rates being about Rs. 200%.

A good portion of the expenditure is on salaries, establishment and allowance. The charges on account of the Economy Office Rs. (10,000) have also been classified under this head since till recently the Economy Officer was in additional charge of the duties of the Commissioner of Economic Development and Planning.

(In lakhs of rupees)

Heads of Expenditure	1938—39	1939—40	1940-41	1941—42	1942—43	1943-44	1944—45	1945—46	1946—47	1947—48 (Revised)	1948—49 (Budget)	Increase+ or decrease — in 1948-49 as compared with 1938-39	Provision for High Price and Dearness Allowance in 1948-49 (bdgt.)	Difference+or-- in 1948-49 excluding Dearness Allowance	Remarks
26 Education ...	54·00	53·89	55·73	59·97	64·83	75·06	84·19	103·07	130·84	193·56	275·12	+221·12	18·45	207·67	The increase under the several sub-heads are as under :—

	1938-39	*1948-49*
1 Grant to Mysore University	10·80	34·46
2 Grant to Mysore High Schools.	5·21	15·74
3 Grant to Mysore Middle Schools.	7·27	26·20
4 Grant to Mysore Primary Education	17·25	109·39
5 Grant to Mysore Special Communities Education.	1·97	4·24
6 Training Institutions.	1·53	3·79
7 Scholarships ...	1·21	9·54
8 Buildings ...	3·31	19·04
9 Miscellaneous ...	1·79	15·50
10 Industrial Schools	1·14	14·88
11 Development Schemes (Lumpsum)		10·00

During this period the number of Institutions has increased by 2,993 as noted below :—

	1938-39	*1948-49*
Colleges ...	9	16
High Schools ...	43	90
Middle Schools	357	524
Primary Schools	6,429	8,572
Other Special Schools.	53	82
Private Institutions.	...	609
	6,988	9,981
	= 2,993	

27 Agriculture.	4·06	4·89	5·08	6·07	5·72	6·12	6·54	6·81	7·79	10·67	50·41	+46·35	3·28	43·07

The expenditure under the several sub-heads are as noted below:—

	1948-49	*1938-39*
1 Direction ...	0·97	0·63
2 Scientific Assistants.	1·07	0·78
3 Agricultural Institutions ...	3·43 (*a*)	0·46
4 Demonstration & Expenditure.	30·53 (*b*)	2·55
5 Miscellaneous ...	0·95	0·19
6 Contributions towards Coffee Cess.	0·17	0·17
7 For Development Schemes.	10·00	...
8 High Price & Dearness Allowance.	3·28	...

(*a*) Includes 2·7 lakhs for Agricultural College of which one lakh is for bildings ;

(*b*) inculudes 10 lakhs values of seeds to farm-grower. 9 lakhs for purchase of tractors and about 1·5 lakhs for tractor and lorry establishment.

(Rupees in lakhs.)

Heads of Expenditure	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48 (Revised)	1948—49 (Budget)	Increase+or decrease in 1948-49 as compared with 1938-39	Provision for High Price and Dearness Allowance in 1948-49 (Bdgt.)	Difference+or— in 1948-49 excluding Dearness Allowance	Remarks
27-A. Veterinary.	3·60	3·83	3·82	3·96	3·57	4·99	4·29	5·82	6·93	10·47	21·42	+17·82	2·93	14·89	The figures for expenditure in 1938-39 and 1948-49 are as under:—

	1948-49	*1938-39*
1 Civil Veterinary charge.	9 29	3·21
2 Serum Institute ...	—0 C8	—0·05
3 Live-stock and Breeding Operations.	4·44	0·89
4 Development of Fisheries.	0·93(a)	...
5 Bee-keeping ...	0·11(b)	...
5-A Hessarghatta Stud Farms.	0·47	...
6 Lumpsum for Development Scheme.	2·93	..

(a) Transferred from Agricultural Department.

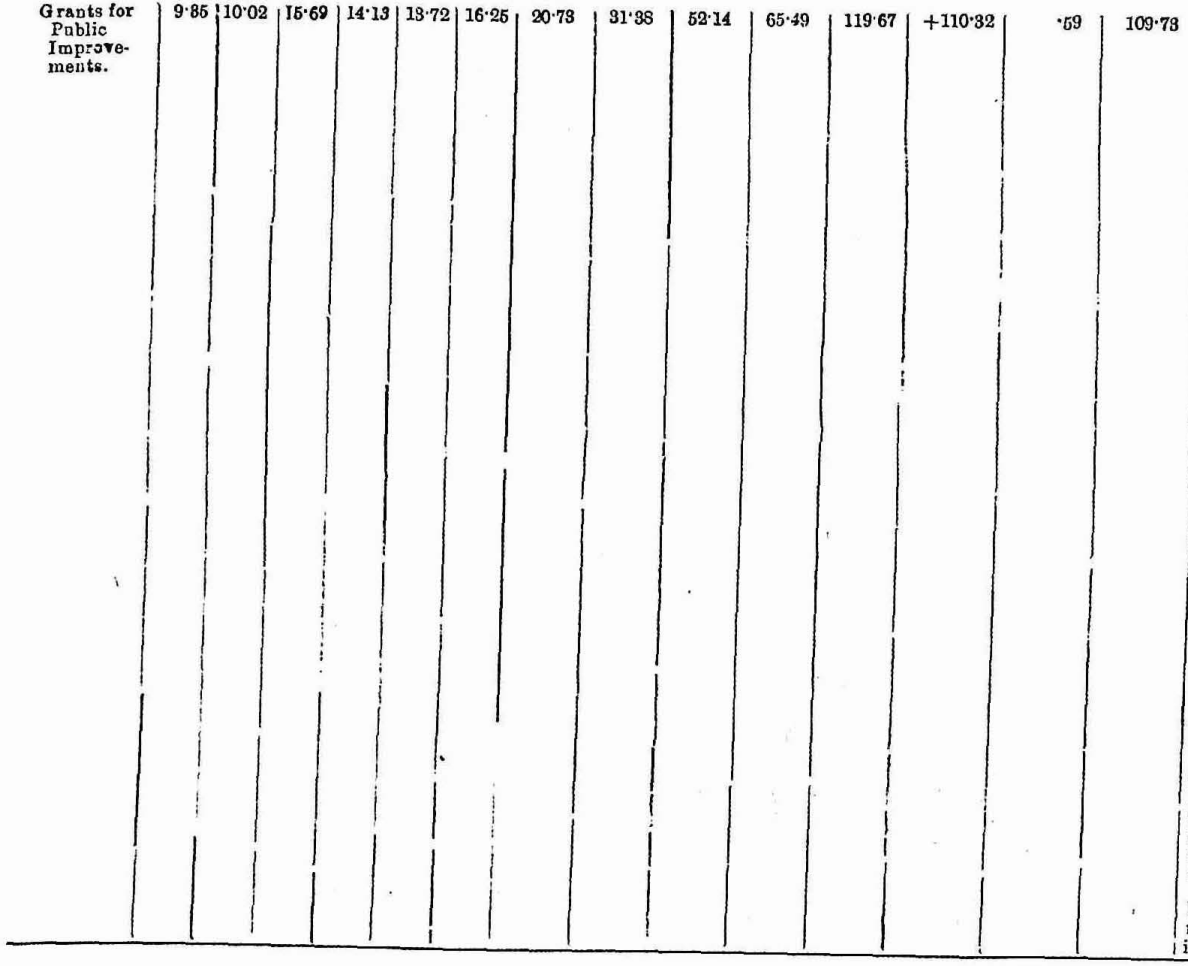
(b) Transferred from Military Department.

The increase under (1) is mainly due to scholarships Rs. (1·45) and increase in number of dispensaries and provision of one lakh for serum against Rs. 0·50 previously. The increase under (3) is due to sheep breeding farms Rs. (0·38), starting a Farm at Magalavalli Rs. (0·50), Purchase of Scindhi Cows and Bulls Rs (0·60), Development of Livestock Rs (0·40), Duck-farming Rs. (0·42), etc., (4) is a new item and includes provision for Rs, (0 60) Research Laboratory and Acqua-rium.

27 B. Horticulture.	2·13	1·74	2·01	1·72	2·02	1·88	2·42	2·09	2·51	3·09	5·23	+3·10	1·00	2·10	The increase are as under:— 1 Direction ... 0·45 (1948-49) 0·33 (1938-39) 2 Botanical and other public gardens 2·17 1·02 3 Horticultural Farm 0·78 ... 4 Development of Horticultural Institutions. 0·69 ... 5 Hill Stations ... 0·14 ... 6 Dearness Allowance. 1·00 ...
27 C. Sericulture.	1·44	1·13	1.70	2·01	1·94	2·02	2·19	2·67	2·77	3·77	5·68	+4·24	·63	3·61	The figures for expenditure in 1938-39 and now are as under :— 1 Direction ... 0·24 (1948-49) 0·16 (1938-39) 2 Demonstration and Experiments. 0·43 0·06 3 Organisation and Assistance. 1·17 0 38 4 Farm ... 4·70 1 27 5 Dearness Allowance. 0·63 ... Deduct Receipts ... 1·50 042 In addition to the above the following items are provided for to be met from the Silk Development Fund.— Starting of new Silk Farms 0·65 Hill Stations ... 0·45 Seed Cocoon Farms ... 1·10 Seed Supply and Silk worm control. 1·63 Establishment of Research Institute. 2·70 6·63

(Rupees in lakhs)

Heads of Expenditure	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48 (Revised)	1948—49 (Budget)	Increase+or decrease — in 1948—49 as compared with 1938—39	Provision for High Price and Dearness Allowance in 1948-49(Bugt.)	Difference+or in 1948—49 excluding Dearness Allowance	Remarks
28 Industries and Commerce.	1·78	1·92	2·13	2·97	3·10	3·06	3·70	3·99	5·13	8·23	9·23	+7·45	1·78	5·67	The expenditure in 1948-49 and 1938-39 are as under :—
															1948-49 *1938-39*
															1 Direction ... 2·09 1·14
															4 Demonstration and Experiments. 5·09(a) 0·59
															5 Registrar of Joint-stock Companies. 0·14 0·03
															5-A Do ... 0·12 ...
															6 Industrial Schools. 14·88(b) 1·14
															6-A Dearness Allowance. 1·78 ...
															(a) Includes Rs. 3·5 lakhs for Rural and Minor industries and Rs. 0·68 for Yarn depots.
															(b) includes Rs. 7·46 for Sri Jaya-Chamarajendra Occupational Institute, Rs. (1·5) for Occupational Institute at Mysore and Rs. (2·50) for a Poly-Technique Institute at Davangere.
29 Co-operative Societies.	1·49	1·60	1·58	1·65	1·56	1·52	1·69	1·89	2·10	2·45	4·39	+2·90	·63	2·27	Provision includes one lakh for development schemes. The increases are generally due to increases in personnel and rates of pay.



The increases are as under :—

		1948-49	1938-39
1	Bangalore City Improvement.	0·15	0·70
2	Improvement of Water Supply in Towns.	7·50	1·42
3	Improvement of Towns and Minor Municipalities.	7·50	0·84
4	Mysore City Improvement Fund.	2·75	1·00
5	Rural Reconstruction.	20·58(a)	1·54
6	Drinking Water Wells interior.	10·00	2·99
7	Tube Wells ...	0·37	0·25
8	Malnad Improvement.	...	0·62
9	Grants-in-aid to District Boards on account of Establishment and High Price allowance charges.	0·07	...
10	Beggar Relief Scheme.	2·00	...
11	Bangalore City Improvement Trust Board.	25·00(b)	...
12	Welfare of Depressed Classes.	18·00	...
13	Davangere City Improvement.	0·15	...
14	For Development schemes.	25·00	...

(a) The increased expenditure is due to intensified Rural Development programme, with a provision of Rs. 9·0 for village extension, Rs. 2·0 for village plantations, 2·00 for drainage, 1·00 for other improvements, 1·0 for survey of rural requirements and Rs. 3·0 for rural development.

(b) Includes a grant of Rs. 20 lakhs for Industrial Suburb. The receipts from sale of sites is included under XIII Miscellaneous.

(In lakhs of rupees)

Heads of Expenditure	1938—39	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48 (Revised)	1948—49 (Budget)	Increase+or decrease—in 1948-49 as compared with 1938-39	Provision for High Price and Dearness Allowance in 1948-49 (Bdgt.)	Difference+or—in 1948-49 excluding Dearness Allowance	Remarks
31 Army ...	15·67	17·02	18·58	22·05	28·16	26·76	30·00	28·95	32·13	75·49	83·26	+67·59	2·47	65·12	The expenditure are as under:—

	1948-49	*1938-39*
1 Head-quarters.	1·39	0·55
2 Mysore Lancers.	9·18	4·95(a)
3 Mysore General Transport Company.	4·93	0·20
4 Mysore Horse.	2·09	0·88(b)
5 Mysore Infantry.	33·12	3·18(c)
6 Grass Farms.	...	0·27
7 Kunigal Stud Farm.	0·91	0·14
8 Military Stores.	0·15	0·09
9 Palace Military.	18·00	2·50
10 Super-annuation and Retired Allowances.	2·03	2·02
11 Military Works.	8·99	0·86(d)
12 Military Stores Suspense Account.	...	0·03
12A High Price and Dearness Allowance.	2·47	...
Total ...	83·26	15·67

32B Expenditure connected with the War.	...	...	...	...	31·29	62·24	130·51	167·95	347·28	218·94	32·89	32·89	2·47	30·42

(a) Increase due to reorganisation and revision in scales of pay and party due to increase in feed and keep of horses.

(b) Increase due to reorganisation and revision in scales of pay and partly due to increase in feed and keep of horses.

(c) Due to increase in the number of Battallions, reorganisation and revision in scales of pay, etc.

(d) Rs. 8·00 met from Special Reserve Fund.

All expenditure owing to the emergency created by the War was being booked under this head from 1942-43 onwards. The large decrease in 1948-49 is due to (1) transfer of expenditure under Dearness allowance, Emergency Police, Grow More Food Campaign, etc , to the concerned major heads and (2) reduced costs on account of the policy of decontrol of food-grains. Controls will however be re-imposed and the actuals for 1948-49 are expected to be much more than the budgetted provision.

ANNEXURE No. VIII.

CHAPTER II—PARA 8. Page 14.

Comparative Statement of Income-Tax rates in 1938-39.

1948-49		1938-39	
Grades of Income	Rate : pies in the rupee	Grades of Income	Rate : (pies in the rupee)
A. In the case of every individual, every Hindu undivided family, every unregistered firm and every other Association of individuals not being a registered firm or company :—		2,400 to 4,299	3
1. On the first Rs. 1,500 of total income	Nil	5,000 to 9,999	4½
2. On the next Rs. 3,500 of total income	5	10,000 to 14,999	6
3. Do 5,000 do	9	15,000 to 19,999	7½
4. Do 10,000 do	15	20,000 to 29,999	9
5. Do 20,000 do	24	30,000 to 39,999	12
6. Do 20,000 do	36	40,000 to 49,999	15
7. On the Balance of total income	42	50,000 to 149,999	18
Plus a surcharge equal to 10 per cent of the rates specified above in respect of total income of Rs. 6,000 and above—		150,000 and over	18
Provided that (i) no income-tax shall be payable on a total income which does not exceed Rs. 2,400 and (ii) the income-tax payable shall in case exceed half the amount by which the total income exceeds Rs 2,400		Companies and Registered Firms —	
B. In the case of every Company and every registered firm and in every case in which under the provisions of the Mysore Income-tax Act 1923 income-tax is to be charged at the maximum rates :—		2,400 to 4,799	18
On the whole of total income 42 pies in the rupee plus a surcharge equal to 10 per cent of the rate specified above in respect of total income of Rs. 6,000 and above —		4,800 and over	18
Provided that no income-tax shall be payable on a total income in the case of Company which does not exceed Rs. 2,400.			

RATES OF SUPER-TAX

1948-49		1938-39	
Grades of Income	Rate: pies in the rupee	Grades of income	Rate: pies in the rupee
A. In the case of every individual, every unregistered firm and every other association of individuals not being a registered Firm—		Individuals, Unregistered Firms and Association of individuals—	
1. On the first Rs. 30,000 of total income	Nil	1. On the first total income Rs. 30,000 ...	Nil
2. On the next Rs. 30,000 of total income	18	2. On every rupee of next total income of Rs. 20,000	12
3. Do Rs. 40,000 do	27	3. Every rupee of the remainder ...	19
4. Do Rs. 50,000 do	36	Hindu Undivided Families—	
5. On the balance of total income	48	First Rs. 75,000	Nil
Plus a surcharge equal to 10 per cent of the rates specified above		Every rupee of the remainder	12
B. In the case of every Hindu uudivided family —		Companies—	
1. On the first Rs. 50,000 of total income	Nil	Less than Rs. 2,400	The rate of super-tax for companies was the same as the one for individuals.
2. On the next Rs. 10,000 of total income	18	Rs. 2,400 to 4,799	
3. Do Rs. 40,000 do	27	Rs. 4,800 upwards	
4. Do Rs. 50,000 do	36		
5. On the balance of total income	48		
Plus a surcharge equal to 10 per cent of the rates specified.			
C. In the case of every Company—			
On the whole of total income 36 pies in the rupee. Plus a surcharge equal to 10 per cent of the rates specified provided that no super-tax shall be payable on a total income in the case of a Company which does not exceed Rs. 2,400.			

ANNEXURE No. IX (1)

(Chapter III, Para 2. Page 27).

Statement showing the expenditure on salaries and the number of Gazetted Officers in the several departments.

In Lakhs of Rupees

	1	1929–30	1930–31	1931–32	1932–33	1933–34	1934–35	1935–36
		2	3	4	5	6	7	8
	REVENUE HEADS							
XXIV	Railways	1·56	1·59	1.28	1·33	1·24	1·27	1·29
XXV	Krishnarajasagara Irrigation Works.	...	...	...	...	...	...	...
XXVA	Hydro-Electric Works ...	...	...	...	...	...	...	...
XXVII	Iron and Steel Works ...	Separate figures for salaries are not available—						
XXVII	K. G. E. Water Works—Net Receipts.	...	...	...	...	...	...	...
XXIX	Industrial Works—Profits ...	·04	·04	·04	·04	·04	·05	·08
XXX	Chamarajasagara and Water Works—Net Receipts.	...	...	...	...	...	...	...
	Total Revenue Heads ...	1·60	1·63	1·32	1·37	1·28	1.32	1·37
	SERVICE HEADS							
1	Land Revenue	5·24	5·30	4·92	4·41	4·44	4·47	4·52
2	Forest	1·44	1·47	1·43	1·32	1·31	1·30	1·24
3	Excise	·40	·40	.37	·31	·29	·29	·34
3A	Income-tax	·20	·20	·18	·16	·14	·14	·15
3B	Miscellaneous Taxes ...	...	...	...	...	...	...	...
4	Stamps	...	...	...	...	...	...	...
5	Registration	·02	·02	·03	·02	·02	·03	·02
7	Supervision of Mines and other charges.	·33	·27	·22	·22	·23	·23	·25
12	General Administration ...	4·30	4·56	3·87	2·50	3·56	3·49	3·84
14	Scientific Miscellaneous departments	·37	·48	·53	·38	·36	·30	·33
16	Stationery and Printing ...	·21	·22	·21	·21	·24	·16	·18
17	Miscellaneous	·21	·29	·27	·29	·28	·28	·28
18	Courts and Law	3·90	4·01	3·88	3·61	3.74	3·79	4·10
19	Jails	·09	·09	·09	·06	.06	·06	·06
20	Police	1·00	1·04	·96	·92	.91	·91	·88
21	Medical	·17	·17	·16	·15	.15	·16	18
22	Public Health	·44	·45	·52	·63	.76	·85	·87
23	Irrigation Works	3·20	3·12	3·05	3·12	3·19	3·33	3·34
24	Civil Works							
25	Economic Conference ...	·26	·21	...	...	...	...	...
26	Education	1·82	1·84	1·56	1·52	1·59	1·56	1·57
27	Agriculture	1·20	1·29	1 14	·99	·87	·70	·70
27A	Veterinary	·27	·27	·25	·27	·29	·30	·35
27B	Horticulture	·23	·25	·22	·11	·11	·11	·07
27C	Sericulture	·10	·11	·11	·11	·12	·13	·14
28	Industries and Commerce ...	·60	·60	·61	·45	·44	·41	·37
29	Co-operative Societies ...	·41	.44	·38	.35	·33	·29	·33
30	Grants	...	...	...	...	...	...	...
31	Army	1·55	1·50	1·45	1·25	1·36	1·32	1·38
32B	Expenditure connected with War ...	...	...	...	...	...	...	...
	Total Service Heads ...	27·96	28·60	26·41	23·36	24·79	24 61	25·49
	DEBT HEADS							
10C	Elementary Education Fund ...	...	...	...	..	·01	.01	.01
18	Mysore University Fund ...	·36	·26	·26	3·84	4·03	4 02	4·31
	Road Fund	...	...	...	...	...	...	...
19P	Record of Rights	...	...	·19	·21	·28	·28	·30
	Total Debt Heads ...	·36	·27	·35	4·05	4·32	4·31	4·62
	GRAND TOTAL (All Heads) ...	29·92	30·50	28·08	28·78	30·39	30·24	31·48
	Total number of Gazetted posts ...	Figures not readily available						760

ANNEXURE No. IX (1)—*contd.*

In Lakhs of Rupees.

		1936—37	1937—38	1938—39	1939—40	1940—41	1941—42	1942—43
		9	*10*	*11*	*12*	*13*	*14*	*15*
	REVENUE HEADS							
XXIV	Railways	1·45	1·51	1·72	1·74	1·79	1·78	1·82
XXV	Krishnarajasagara Irrigation Works.	...	...	...	...	...	...	...
XXVA	Hydro-Electric Works ...	...	...	...	...	...	...	...
XXVII	Iron and Steel Works ...	Separate figures for salaries are not available						
XXVII	K. G. F. Water Works—Net Receipts.	...	...	...	...	...	...	...
XXIX	Industrial Works—Profits ...	·05	·07	·11	·20	·18	·25	·32
XXX	Chamarajasagara and Water Works—Net Receipts.	...	...	...	...	...	...	...
	Total Revenue Heads ...	1·50	1·58	1·83	1·94	1 97	2·03	2·14
	SERVICE HEADS							
1	Land Revenue	4·55	4·54	4·58	4·63	4·86	4·77	4.95
2	Forest	1·20	1·20	1·16	1·05	1·03	1·07	1·16
3	Excise	·44	·38	·42	·36	·36	·38	·39
3A	Income-tax	·16	·16	·14	·16	·17	·15	·14
3B	Miscellaneous Taxes ...	...	...	...	...	...	...	...
4	Stamps	...	...	...	...	...	...	...
5	Registration	·04	·02	04	·03	·02	·02	·03
7	Supervision of Mines and other charges.	·24	·17	·18	·19	·23	·25	·25
12	General Administration ...	3·98	4·14	4·38	4 00	4·31	5·67	5·06
14	Scientific Miscellaneous departments	·32	·32	·33	·39	·54	·53	·50
16	Stationery and Printing ...	·19	·21	·16	·16	·18	·19	·20
17	Miscellaneous	·30	·29	·26	·23	·08	·07	·15
18	Courts and Law	4·35	4·30	4·30	4·36	4·60	4 86	4·61
19	Jails	·07	·08	·09	·09	·07	·10	·14
20	Police	·94	·91	1·03	1·06	1·11	1·36	1·11
21	Medical	·16	·17	·14	·14	·15	·12	·13
22	Public Health	·92	·77	·76	·74	·72	·68	·77
23	Irrigation Works	3·41	3·31	3·40	3·27	3·22	3.07	2·70
24	Civil Works							
25	Economic Conference ...	...	...	...	...	...	...	...
26	Education	1·66	1.65	1·68	1·74	1·86	2·01	1·25
27	Agriculture	·80	·89	·88	·90	·89	·85	·86
27A	Veterinary	·37	·40	·44	·42	·45	·37	·42
27B	Horticulture	·09	·07	·09	·13	·13	·14	·15
27C	Sericulture	·15	·12	·12	·11	·07	·11	·10
28	Industries and Commerce ...	·50	·51	·54	·64	·49	·67	·76
29	Co-operative Societies ...	·33	·32	·36	·40	·42	·42	·34
30	Grants	...	...	...	...	...	...	·01
31	Army	1·50	1·47	1·59	1·70	2·02	2.66	3·24
32B	Expenditure connected with War ...	...	...	...	...	...	...	·81
	Total Service Heads ...	26·67	26·40	27·07	27·90	28·18	30·57	30·23
	DEBT HEADS							
10C	Elementary Education Fund ...	01	·01	·01	.01	01	·01	·71
13	Mysore University Fund ...	4.60	4·36	4·27	4·63	4·74	4·86	4·32
	Road Fund	·08	·01	·04	·07	·03	·01	.01
19P	Record of Rights	·21	·19	·22	·21	·23	·26	·21
	Total Debt Heads ...	4·93	4·57	4·54	4·92	5·01	5·14	5·25
	GRAND TOTAL (All Heads) ...	33·10	32·55	33·44	33·76	35·16	37·74	37·62
	Total number of Gazetted posts ...	752	780	785	831	845	865	935

ANNEXURE No. IX (1)—*concld.*

In Lakhs of Rupees.

		1943—44	1944—45	1945—46	1946—47	1947—48 Revised	1948—49 Budget
		16	*17*	*18*	*19*	*20*	*21*
	REVENUE HEADS						
XXIV	Railways	1·90	1.94	1·79	1·85	2·00	2·00
XXV	Krishnarajasagara Irrigation Works.	...	·29	·27	·33	·32	·28
XXVA	Hydro-Electric Works ...	...	2·15	2·51	2·68	2·57	2·52
XXVII	Iron and Steel Works ...	Separate figures for salaries are not available					
XXVII	K. G. F. Water Works—Net Receipts.	...	·04	·04	·03	·03	·03
XXIX	Industrial Works—Profits ...	·80	·29	·43	·54	·48	·52
XXX	Chamarajasagara and Water Works—Net Receipts.	...	·15	·19	·18	·16	·17
	Total Revenue Heads ...	2·20	4·88	5·28	5·61	5·56	5·52
	SERVICE HEADS						
1	Land Revenue	5·26	4.98	4·94	5·23	5·63	5·12
2	Forest	1·22	1·24	1.31	1·36	1·33	1·46
3	Excise	·45	·42	·40	·40	·45	·45
3A	Income-tax	·23	·23	.23	·52	·85	·89
3B	Miscellaneous Taxes ...	...	·01	·04	·07	·08	·09
4	Stamps	...	...	...	...	...	...
5	Registration	·04	·03	·02	·02	.02	·02
7	Supervision of Mines and other charges.	·24	·21	·23	·24	·28	·30
12	General Administration ...	5·40	7·00	7·04	8·77	9·26	8·20
14	Scientific Miscellaneous departments	·39	·42	.50	·56	·49	·49
16	Stationery and Printing ...	·21	·24	·29	·23	·23	·22
17	Miscellaneous	·19	·21	·29	·28	·25	·25
18	Courts and Law	4·69	4·59	4·38	4 65	4·63	4 77
19	Jails	·07	·06	.06	·07	·16	.17
20	Police	1·02	1·10	1·08	1·24	1·90	1·82
21	Medical	·13	3·11	3·14	3·63	4·79	5·41
22	Public Health	·77	·56	·73	·90	:92	1·11
23	Irrigation Works	2·68	2·95	2·85	3·57	3·50	3·89
24	Civil Works						
25	Economic Conference ..	·01	·10	·37	·28	·22	:23
26	Education	1·26	1·43	1·54	1·29	1·30	1·43
27	Agriculture	·83	·93	·83	·86	1·42	1 45
27A	Veterinary	·35	·34	·45	·47	·54	·95
27B	Horticulture	·15	·09	·03	·08	·11	·10
27C	Sericulture	·06	·06	·15	·17	·28	·29
28	Industries and Commerce ...	.82	·84	·75	1·08	1·33	1.21
29	Co-operative Societies ...	·31	·32	·37	·39	·42	·46
30	Grants	·05	·02	·11	·49	.53	·46
31	Army	3·50	4·41	5·55	4·72	5·76	7·61
32B	Expenditure connected with War ...	1·83	1·91	2.25	2·48	2·00	1·11
	Total Service Heads ...	32·36	37·81	39·93	41·00	48·88	49.96
	DEBT HEADS						
10C	Elementary Education Fund ...	·78	1·65	1·82	2·37	2·65	3·54
13	Mysore University Fund ...	4·17	4·00	4·22	4·85	5·00	5·00
	Road Funds	·01	·07	·03	·07	·01	·04
19P	Record of Rights	·19	·12	·12	·16	·16	·15
	Total Debt Heads ...	5·15	5·84	6·19	7·39	7·85	8·73
	GRAND TOTAL (All Heads) ...	39·71	48·53	51·35	57·00	62·29	64·21
	Total number of Gazetted posts ...	936	1,160	1,268	1,350	(Fig. not readily available.)	

ANNEXURE No. IX (2).

(Chapter III, Para 10. Page 32).

Statement showing expenditure on establishment, High Price and Dearness Allowance.

(In Lakhs of Rupees)

		1929—30	1930—31	1931—32	1932—33	1933—34	1934—35	1935—36
1		2	3	4	5	6	7	8
REVENUE HEADS.								
II	Forest 1, Sandal Oil—Net Receipts	...	...	...	...	...	...	...
XXIV	Railways ...	6.21	6·40	6·07	6·06	6·32	6·40	6·44
XXV	Krishnarajasagara Irrigation Works.	0·82	0·43	0·48	1·04	1·23	1·26	1·28
XXVI	Hydro-Electric Works ...	6·05	6·19	6·05	6·08	6·46	6·53	6·89
XXVII	Iron and Steel Works ...	4·73	4·96	4·24	4·03	4·08	3·71	3·84
XXVIII	K. G. F. Water Works ...	0·16	0·18	0·17	·15	·15	·14	·18
XXIX	Industrial Works ...	0·81	0·93	0·81	1·32	1·25	1·28	1·58
XXX	Chamarajasagara and Water Works.	...	...	...	...	·41	·46	·52
	Total Revenue Heads ...	18·28	19 09	17·82	18·68	19·90	19·78	20·72
SERVICE HEADS.								
1	Land Revenue ...	12·92	13·24	12·78	11·33	11·70	11.83	11·98
2	Forests ...	4·05	4·15	4 06	4·08	4·12	4·03	4·03
3	Excise ...	2·84	2·83	2 86	2·79	2·84	2·86	2·85
3A	Income-tax ...	0·50	0·51	0 46	·44	·43	·42	·44
3B	Miscellaneous Taxes ...	...	...	...	...	...	...	...
4	Stamps ...	0·12	0·13	0·12	·12	·12	·12	·12
5	Registration ...	1·62	1·69	1·63	1·60	1·64	1·64	1·66
7	Supervision of Mines ...	0·06	0·06	0·06	·06	·06	·06	·07
12	General Administration ...	5·28	5·38	5·23	5·10	5·25	5·26	5·54
13	Muzrai Institutions ...	0·10	0·11	0·11	·11	·12	·12	13
14	Scientific and Miscellaneous Department.	0·34	0·41	0·28	·30	·27	.28	·28
16	Stationery and Printing ...	1·47	1·44	1·35	1·33	1·39	1·43	1·45
17	Miscellaneous ...	0·20	0 26	0·24	·32	·38	·37	·38
18	Courts of Law ...	4·36	4·47	4·31	4·30	4·43	4·47	4·53
19	Jails ...	0·70	0·69	0·66	·65	·55	·55	·58
20	Police ...	14·97	15·95	15·21	15·39	15·78	15·91	16·09
21	Medical ...	8·48	9·10	9·20	9·16	9·51	9·65	9·08
22	Public Health ...	0·47	0·62	0·77	·75	·71	·69	·95
23 & 24	Irrigation and Pub'ic Works...	5·97	5·80	5·46	5·16	5·35	5·44	5·56
25	Economic Conference ...	0·14	0·15	...	...	...	...	...
26	Education ...	31·82	32·36	13·83	13·72	13·92	14·00	14·46
27	Agriculture ...	1·75	1·90	1·98	1·85	1·90	1·94	1·94
27A	Veterinary ...	1·37	1·51	1·79	1·86	1·94	1·95	1·99
27B	Horticulture ...	0·42	0·60	0·49	·48	·47	·50	·47
27C	Sericulture ...	0·42	0·45	0·45	·45	·45	·46	·51
28	Industries and Commerce ...	1·34	1·60	1·53	1·54	1·55	1·57	1·41
29	Co-operative Societies ...	0·69	0·71	0·66	·65	·67	·65	·64
30	Grants ...	1·36	1·09	0·82	·84	·81	·83	·79
31	Army ...	7·04	6·90	6 26	4·71	4·85	5·00	5·03
32B	Expenditure connected with War ...	...	...	...	...	...	...	...
38	Krishnarajasagara Irrigation Works (Capital).	4·19	4·18	3·52	1 93	1·73	·86	·86
	Chamarajasagara Water Works ...	0·06	0·60	0·64	·66	·33	·55	·29
	Jog Falls Project ...	...	...	...	...	...	...	...
	Total ...	115·05	118·84	94·31	91·75	93·27	93·44	94·10
DEBT HEADS.								
Elementary Education Fund ...		...	...	18·34	17·80	19·22	19·12	19·05
Mysore University Fund ...		7·02	7·52	7·12	3·21	3·33	3·42	3·55
Road Fund ..		...	...	...	...	...	...	...
Record of Rights ...		..	...	...	...	...	...	1·99
	Total Debt Heads ...	7·02	7·52	25·47	21·01	22·55	22·54	24·59
	Grand Total (All Heads) ...	140·35	145·45	140·60	131·45	135·72	135·76	139·41

ANNEXURE No. IX (2)—*Contd.*

(In Lakhs of Rupees)

	1936—37	1937—38	1938—39	1939—40	1940—41	1941—42	1942—43
	9	10	11	12	13	14	15
REVENUE HEADS.							
II Forest 1, Sandal Oil—Net Receipts.	...	...	...	...	...	...	...
XXIV Railways ...	6·46	9·26	12·68	12·63	13·15	13·40	13·38
XXV Krishnarajasagara Irrigation Works.	1·33	1·21	1·23	1 37	1·37	1·46	1·37
XXVI Hydro-Electric Works ...	7·30	7 36	7·36	7 67	8·18	8 13	8·47
XXVII Iron and Steel Works ...	3·06	3·30	3·20	3·17	3·43	3·78	4·14
XXVIII K.G.F. Water Works ...	.16	·14	·16	·16	·14	·14	·14
XXIX Industrial Works ...	1·44	1·96	·97	1·10	1·16	1·51	1 89
XXX Chamarajasagara and Water Works.	·50	·51	·49	·46	·45	·45	·52
Total Revenue Heads	20·25	23·77	25·99	26·76	27·88	28·87	29·91
SERVICE HEADS							
1 Land Revenue ...	11·92	12·10	12 14	12·48	12·85	13 86	12'90
2 Forest ...	4 04	4·08	4·10	4·10	4·08	4 19	4·20
3 Excise ...	2·87	2·84	2·82	2·86	2 93	2·89	2·85
3A Income-Tax ...	·47	·48	·48	·47	·46	·45	·46
3B Miscellaneous Taxes ...	...	...	...	...	...	...	...
4 Stamps ...	·12	·13	·13	·13	·12	13	·13
6 Registration ...	1·65	1·64	1·64	1 69	1·73	1 69	1·70
7 Supervision of Mines ...	·06	·06	·07	·08	·08	·08	·08
12 General Administration ...	5·41	5·39	5·50	5·62	5·63	6·08	6·38
13 Muzrai Institutions ...	·13	·13	·13	·12.	·13	·13	·13
14 Scientific and Miscellaneous Department.	·23	·27	·27	·30	·56	·98	·48
16 Stationery and Printing ...	1·45	1·49	1·48	1·57	1·61	1·62	1·64
17 Miscellaneous ...	·36	·37	·37	·41	·39	·47	·45
18 Courts of Law ...	4·59	4·62	4·65	4·72	4·77	4·82	4·78
19 Jails ...	·60	·60	·59	·60	·77	·75	·80
20 Police ...	16·25	16·48	17·16	17·45	17·58	17·99	17·25
21 Medical ...	10·51	10·88	10·99	11·58	12·27	12·87	13·04
22 Public Health ...	1·13	1·13	1·21	1·31	1·32	1·47	1·69
23 & 24 Irrigation and Public Works ..	5·64	5·55	5·47	5 65	5·58	5 51	5·33
25 Economic Conference ...	...	...	...	...	...	...	...
26 Education ...	14·82	14·97	15·16	14·98	15 31	15·47	15·38
27 Agriculture ...	1·97	2·08	2·05	2·10	2·14	2·35	2·56
27A Veterinary ...	2·07	2·15	2·21	2·23	2·31	2·39	2·37
27B Horticulture ...	·56	·51	·61	·63	·70	·69	·80
27C Sericulture ...	·57	·61	·62	·59	·64	·69	·74
28 Industries and Commerce ...	1·44	1·88	1·46	1·46	1·55	1·61	1·92
29 Co-operative Societies ...	.65	·72	·74	·79	·79	·81	·79
30 Grants ...	·84	·83	·82	·82	·82	·80	1·05
31 Army ...	4·91	4·98	5·10	5·29	5·75	7·68	10.82
32B Expenditure connected with War	...	...	...	...	...	...	5·67
38 Krishnarajasagara Irrigation Works (Capital).	·88	1·17	1·52	1·41	1 10	1·46	1·46
Chamarajasagara Water Works ...	·07	·01	...	...	...	...	...
Jog Falls Project ...	...	...	...	...	...	...	...
Total ...	96 26	97·65	99·49	101·64	103·97	109·46	117·85
DEBT HEADS.							
Elementary Education Fund ...	19·13	19.16	19·31	19·36	19·41	19.73	22·65
Mysore University Fund	3·69	3·78	4·00	4·56	5·04	5·36	5·73
Road Fund ...	·95	·63	·69	·90	·95	·97	·99
Record of Rights ...	2·37	2·11	2·15	2·32	2·08	2·09	2·39
Total Debt Heads ...	26·14	25·68	26·15	27·14	27·48	28.15	31·78
Grand Total (All Heads) ...	142·65	147·10	151·63	155·54	158·33	166·48	179·46

ANNEXURE No. IX (2)—*Contd.*

(In Lakhs of Rupees.)

		1943—44	1944—45	1945—46	1946—47	1947—48 (Revised).	1948—49 (Budget).	H.P.A. and D.A.
		16	*17*	*18*	*19*	*20*	*21*	*22*
	REVENUE HEADS.							
II	Forest I, Sandal Oil—Net Receipts.	...	...	...	...	...	...	...
XXIV	Railways	13·36	13·14	16·04	22·52	23·11	26·05	15 14
XXV	Krishnarajasagara Irrigation Works.	1·26	1·02	·95	·97	1·19	1·27	·28
XXVI	Hydro-Electric Works ...	8·59	10·27	10·79	11·55	14·42	18·04	6·00*
XXVII	Iron and Steel Works ...	4·85	5·41	6·12	6·97	7·76	8·52	·08
XXVIII	K.G.F. Water Works ...	·16	·14	·14	·17	·13	·14	04
XXIX	Industrial Works ...	1·86	1·17	1·63	1 76	1·77	2 01	·39
XXX	Chamarajasagara and Water Works.	·64	1·26	1·27	1·37	1·66	1·37	·65
	Total Revenue Heads ...	30·72	32·41	36·94	44·31	50·04	57·40	22·58
	SERVICE HEADS.							
1	Land Revenue ...	11·76	11·83	12·15	12·28	16·58	17·46	7·71
2	Forest ...	4·21	4·25	4·44	4·75	6·52	7·60	3·15
3	Excise ...	2·82	2·97	3·04	2·95	3 95	3 70	1·38
3A	Income-Tax ...	·46	·48	·53	·63	1·15	1·44	·66
3B	Miscellaneous Taxes ...	·01	·16	·95	1·00	1·34	1·78	·51
4	Stamps ...	·13	·12	·13	·15	·18	·19	·07
5	Registration ...	1·70	1·76	1·96	1·82	2·57	2.57	·87
7	Supervision of Mines ...	·09	·09	·08	·07	·11	·14	·11
12	General Administration ...	6·27	9·78	10·42	11·84	14·46	16·34	7·80
13	Muzrai Institutions ...	·19	·20	·21	·24	·30	·32	·14
14	Scientific and Miscellaneous Department.	·37	·40	·46	·47	·70	·73	·38
16	Stationery and Printing ...	1·69	1·99	2·07	2·17	3·00	3·34	1·27
17	Miscellaneous ...	·39	·40	·45	·58	·97	·82	·30
18	Courts of Law ...	4·73	5·64	5·68	6 03	7·81	8·01	3·38
19	Jails ...	·89	·78	·92	1·03	1·42	1·45	·56
20	Police ...	18·07	17·55	18·01	25·22	41·99	49·30	22·63
21	Medical ...	13·00	10·72	9 87	11·58	17·34	20·61	8·05
22	Public Health	2·17	2·32	3 61	3 37	5·28	5·73	2·04
23 & 24	Irrigation and Public Works ...	5·51	6·33	6·07	7·13	9·09	9·84	4·17
25	Economic Conference ...	·06	·09	·17	·16	·15	·22	·12
26	Education ...	15·84	17·09	18·61	20·59	35·28	40·06	13·46
27	Agriculture ...	2 58	2·65	2·71	3·19	5·04	11·11	3·28
27A	Veterinary ...	2·49	2·37	2 52	3 02	4·39	6·37	2·93
27B	Horticulture ...	·69	·81	·84	·98	1·41	1·91	1·00
27C	Sericulture ...	·74	·81	·83	·77	1·28	1·87	.63
28	Industries and Commerce ...	1·78	2·44	2·52	3·01	4·11	4·78	1·98
29	Co-operative Societies ...	·78	·84	·94	1·00	1 20	1·56	·64
30	Grants ...	·80	·81	·77	·84	1·31	1·70	·59
31	Army ...	12·70	13·31	14·30	17 60	24·26	33·04	2·47
32B	Expenditure connected with War	17·26	27·05	27·50	33·59	31·18	10·44	2·48
38	Krishnarajasagara Irrigation Works (Capital).	1·53	1.50	1·50	1·61	1·69	1·72	·23
	Chamarajasagara Water Works ...	...	...	...	...	...	...	...
	Jog Falls Project ...	...	...	...	...	...	...	1·68
	Total ...	131·91	147·54	154·26	179·67	246·09	266·10	96·69
	DEBT HEADS.							
	Elementary Education Fund ...	23·04	24·15	28·32	33 60	43·25	62·63	28.62
	Mysore University Fund ...	5·99	6·45	7·47	9·95†	11·66†	13·36†	...
	Road Fund ...	·96	1·50	1·43	1·43	1·49	1·03	·46
	Record of Rights ...	2·05	2·04	1·89	2·31	2·50	2·99	·84
	Total Debt Heads ...	32·04	34·14	39·11	45·34	60·24	76·65	29·92
	Grand Total (All Heads) ...	194·67	214·09	230·31	267·75	356·92	399·46	149·1‡

* The Railways and the University Budgets for 1948-49 not yet being available, tentative figures have been put in for these two departments on the basis of proportionate increase as in other departments.

† Includes Dearness and H.P. Allowance.

‡ 1947-48 and 1948-49 show the effect of revision of scales.

ANNEXURE IX (3)

(Chapter III, Para 45 Page 47)

Statement showing the expenditure on Travelling Allowances and Contingencies.

Rupees in Lakhs

Demand No.		Heads of Account	Travelling Allowance 1923—24	Travelling Allowance 1932—33	Travelling Allowance 1938—39	Travelling Allowance 1948—49 Budget	Contingencies 1923—24	Contingencies 1932—33	Contingencies 1938—39	Contingencies 1948—49 Budget
A.		Expenditure met from Revenue.								
1	1	Land Revenue ...	1·99	1·80	1·88	2·91	0·42	0·31	0·45	0·53
	2	Forest ...	0 78	0·31	0·37	0·86	0·05	0·08	0 08	0·15
2	II.	Forest (1) Sandal oil—charges for extraction of Sandalwood	...	...	...	...	...	...	...	...
	2	Others Forest Revenue- (3) Forest Industries—Working expenses.	...	...	...	...	...	...	...	...
3	3	Excise	0·57	0·34	0·33	0·52	0·11	0·09	0·05	0·12
4	3A	Income-Tax	0 07	0·04	0·03	0·18	0·03	0 02	0·01	0·17
	3B	Miscellaneous Taxes ...	...	...	...	0·06	...	...	...	0 05
	4	Stamps	Nil	Nil	...	...	0·02	0·01	0·01	0·03
	5	Registration	0 02	0·02	0·02	0·04	0·05	0·05	0·03	0·04
5	7	Supervision of Mines and other charges.	0·01	0 006	0·01	0·01	0·01	0·008	0·008	0·01
	8	Sinking Fund	...	...	...	...	...	...	...	...
6	9	Interest on Debt and other Obligations.	...	...	...	...	...	...	...	...
	11	Palace	...	...	...	...	...	...	...	...
7	12	General Administration ...	0 68	0·91	1 04	3·87	0·47	0·43	0·72	2·48
8	13	Muzrai Institutions ...	0·003	0·002	0·002	0 006	0·003	0·02	0·01	0·04
9	14	Scientific and Miscellaneous Departments.	0·03	0·04	0.03	0·13	0·03	0·02	0·03	0·07
	15	Pensions and Allowances ...	...	...	...	...	...	...	...	...
10	16	Printing and Stationery ...	0·009	0 002	0·006	0·008	0·07	0·07	0·09	0·17
11	17	Miscellaneous	0·0004	0·03	0·03	0·03	0·008	0·11	0·09	0·29
12	18	Courts of Law	0 09	0·19	0·12	0·23	0·26	0·24	0·20	0·50
13	19	Jails	0·001	...	0·001	0 028	0·02	0·003	0 004	0·03
14	20	Police	1·49	1·55	2·13	5·34	0·23	0·86	0·47	2·23
15	21	Medical	0·39	0·32	0·30	0·53	0·67	1 00	1·14	2·49
16	22	Public Health	0·05	0·15	0 25	0·32	0 04	0·23	0·21	1·60
17	23	Irrigation Works ...	0·17	0·18	0·20	0·67	0·02	0·02	0 03	0·05
18	24	Civil Works	1·05	1·16	1·41	1·83	0 74	0·14	0·15	0·30
19	24A	Communications ...	...	...	...	...	...	...	...	...
19A	25	Economic Conference ...	..	...	...	0.07	...	...	...	0·02
20	26	Education	0·76	0·55	0·49	0·51	0·96	0·46	0·59	1·00
21	27	Agriculture	0 42	0·34	0·89	0.99	0·24	0·28	0·32	1·06
	27A	Veterinary	0·26	0·36	0·29	0·72	0·18	0 30	0·27	0·55
22	27B	Horticulture	0·01	0·02	0·03	0·08	0·05	0·06	0·31	0·40
23	27C	Sericulture	0·08	0·07	0·09	0·25	...	0·03	0·08	0·15
	28	Industries and Commerce...	0·08	0·21	0·19	0·43	0·04	0·12	0·17	0·76
23A	28A	Department of Labour and Labour Welfare.	...	..	...	0·09	...	...	...	0·09
24	29	Co-operative Societies ...	0·24	0·19	0·22	0·40	0 05	0·03	0·03	0 22
25	30	Grants for Public Improvements.	0·04	0·04	0·02	0·30	0·09	0·05	0·03	0 04
	31	Army	0·28	0·23	0·20	0·97	0·09	0·11	0·13	0 38
25A	32B	Expenditure Connected with Food and other control measures.	...	...	...	0·45	...	...	...	0·26
26		Contributions to Funds ...	...	...	...	...	...	..	...	...
27	XXIV	Railways Working Expenses, Surplus Profits and Guaranteed Interest	...	...	...	0·32	...	...	...	0·59
	35	Miscellaneous Railway Expenditure.	...	...	0·17	0·32	...	...	0·40	0 60

ANNEXURE IX (3)—*concld.*

Rupees in Lakhs

Demand No.		Heads of Account	Travelling Allowance				Contingencies			
			1923—24	1932—33	1938—39	1948—49 Budget	1923—24	1932—33	1938—39	1948—49 Budget
28	XXV	Krishnarajasagara Irrigation Works.	...	...	0 06	0·18	...	...	0·01	0·02
29	XXV A	Hydro-Electric Works—Working Expenses.	...	...	0·88	0·97	...	...	0·13	0·27
	36	Miscellaneous Electrical Expenditure.	...	...	...	...	...	...	...	...
30	XXVII	Iron and Steel Works and Cement Plant—Working Expenses including Depreciation Fund.	...	...	...	...	...	...	...	...
31	XXVIII	K.G.F. Water Works—Working Expenses and Depreciation.	...	...	0·01	0·02	...	...	0 005	0·001
32	11	Forest—1 Sandal Oil—Operation Expenses.	...	...	...	...	...	...	...	...
	XXIX	Industrial Works—Working Expenses including Depreciation.	...	...	...	...	...	...	...	...
33	XXX	Chamarajasagara and Water Works—Working Expenses and Depreciation.	...	...	0·03	0·04	...	...	0·002	0.003
		Total Expenditure met from Revenue.	9·57	9 06	11·06	24·63	4·95	4·60	6·25	17·76
		B. Capital Outlay not met from Revenue—								
34	37	Railways and Tramways ...	...	...	...	...	...	...	0·04	0·03
35	38	Krishnarajasagara Irrigation Works.	0.22	0·02	0·12	0·16	0·11	0·009	...	...
36	38A	Hydro-Electric Works.	...	...	...	...	...	...	...	...
37	38B	Other Irrigation Works not met from Revenue.	...	...	...	...	...	...	...	...
38	39	Industrial and other works.	...	0·07	...	...	...	0·009	...	...
39	40	Iron and Steel Works and Cement Plant.	...	...	...	...	...	...	...	...
39A	41	Food Supply Department Transaction not met from Revenue (Token Grant).	...	...	...	...	...	...	...	...
		Total Expenditure Outlay not met from Revenue.	0·22	0·09	0·12	0·16	0·11	0·018	0·04	0·03
		C. Expenditure met from Revenue Depreciation Road and other Funds.								
40		Road Fund	...	...	0·03	0·04	...	...	0·004	0·04
41		Inter-Village Road Fund ...	...	...	...	...	...	...	...	...
42		Industrial Development Fund...	...	...	...	...	...	...	...	...
42A		Reserve Fund	...	...	...	...	...	...	...	...
43		Depreciation Funds... ...	...	...	...	...	...	...	...	...
		Total Expenditure met from Funds.	...	...	0·03	0·04	...	...	0·001	0·04
		D. Disbursement of Advances and Loans—								
44		Advances and Loans ...	...	...	...	...	...	...	...	...
		Grand Total ...	9·79	9·15	11·21	24·83	5·06	4·61	6·29	17·83

ANNEXURE X.

(Chapter III, Para 11 Page 32)

Circular issued by Government to Heads of Departments, etc., for formulating the reductions proposed.

GENERAL AND REVENUE SECRETARIAT,
Dated Bangalore, 1st July 1948.

No. Fl. 2-88—G,F. 206-47-21.

FROM

The Secretary to the Government
of His Highness the Maharaja of Mysore,
Financial Department.

TO

The Heads of Departments.
The Secretaries to Government.
The Deputy Commissioners of Districts.

SIR,

I am directed to invite reference to Government Order No. 5086-5176—G.F. 206-47-1, dated the 8th March 1948, appointing an Economy Officer to Government, to consider questions of economy and retrenchments in the several Departments and to suggest ways and means of improving the revenue position and to state that as explained in the order referred to above, there has been an abnormal increase in the level of expenditure of the State in recent years owing to additions to staff on account of the conditions created by the War, the grant of dearness and high price allowance, the revision of the scales of pay of non-gazetted staff, etc. The expenditure on salaries which was Rs. 33·44 lakhs in 1938-39 is now Rs. 63·84 lakhs while the expenditure on establishment has increased from Rs. 151·63 lakhs in 1938-39 to Rs. 396·10 lakhs as per draft Budget provisions for 1948-49. The total expenditure on salaries and establishment exceeds at the moment more than half the present revenue. While the indications are that in future there is every likelihood of a fall in revenue on account of the decrease in receipts under certain items of an adventitious nature and the introduction of prohibition, the demands on the State Exchequer will be on the increase in view of the undertaking of development schemes of an urgent and essential nature and other requirements of a progressive administration. **These circumstances, therefore, render it imperative that no effect should be spared to secure economies in expenditure to the maximum extent possible, without impairing efficiency, particularly with reference to the charges on establishments.** As liberal scales of pay have been recently given to the staff, it ought to be possible to obtain more willing work and improved efficiency from them and thus secure reduction in the number of hands engaged in each office. It should also be possible to retrench the number of hands in the higher grades against similar increases in the lower grades by reducing the minimum qualification in the case of jobs which could really be satisfactorily attended to by men with lower qualifications who could be given a course of intensive training to make them fit to discharge their duties promptly and efficiently.

2. It is understood that the Economy Officer has addressed the several Heads of Departments, inviting their views and suggestions in regard to the scope for effecting economies and securing increased revenues in their respective departments. Government wish to impress on all the officers concerned the imperative necessity of giving this question their most serious consideration. Government expect that it must be possible to effect a reduction in the expenditure on establishments, Travelling Allowance, Contingencies, etc., by at least 20 per cent by abolishing surplus staff—gazetted, executive and ministerial—by reducing the number of posts in the higher grades as suggested in para 1 above and by abolishing several classes of allowances attached to the posts. In the case of Peons, Attenders, Mutchies, etc., Government feel that a higher percentage of reduction is possible with suitable readjustment of work. In formulating their proposals in this behalf and sending them to the Economy Officer, Government trust that the officers concerned would keep the above suggestions in view.

3. This does not however mean that the pace of progress of development of schemes should be retarded nor does it indicate any slakening of Government's efforts in the drive for all round development. But it is intended these development schemes also should be closely examined and every possible economy secured so as to bring down the total cost.

4. Government desire that while the references from the Economy Officer in this behalf should be treated as urgent and dealt with as promptly as possible, every effort should be made to co-operate with him so as to secure the largest possible economy without impairing efficiency.

I have the honour to be,
Sir,
Your most obedient servant,

M. SHAMANNA,
Secretary to Government,
Financial Department.

ANNEXURE XI.

(Chapter 3, Para 43. Page 46.)

Abstract of statement of Allowances drawn (monthly).

	Name of the Department	Personal allowance	Duty allowance	Fixed travelling allowance	Conveyance allowance	Total	Savings proposed
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Revenue Department	...	1,310	5,985	4,255	11,550	2,330
2	Land Records	...	485	1,362	...	1,847	60
3	Forest Department	51	932	45	60	1.088	857
4	Excise Department	...	106	1,805	...	1,911	76
5	Miscellaneous Taxes ...	...	50	...	...	50	50
6	Income-tax	...	200	126	...	326	208
7	Stamps Department... ...	5	...	10	...	15	10
8	Private Secretary's Office ...	10	620	...	...	630	...
9	Legislature	..	105	...	...	105	105
10	Comptroller's Office... ...	10	460	...	110	580	378
10(a)	Education Audit Office ..	80	20	...	...	100	20
10(b)	Food Supply Audit Department	..	3,995	...	...	3,995	3,995
10(c)	Railway Audit Office ...	14	241	...	...	255	63
10(d)	Electrical Audit Office ...	...	70	...	15	85	70
11	Civil Secretariat	86	2,590	...	74	2,750	2,161
12	Geological Department ...	...	70	...	210	280	260
13	Government Press	...	381	...	...	381	161
14	Judicial Department ...	...	307	...	410	717	580
15	Central Jails	...	292	...	510	802	65
16	Police Department	260	29,338 16,437(HRA)	1,486	7,333	54,854	10,668
17	Medical (Male Hospital) ...	135	4,238	...	264	4,637	1,520
18	Do (Female do) ..	...	1,011	...	75	1,086	170
19	Public Health Department ...	...	190	328	495	1,013	235
20	Public Works Department ...	...	4,173	...	17,500 (approx.)	21,673	325*
21	Commissioner of Economic Development and Planning.	...	515	...	...	515	500
22	Education Department ...	25	624	725	4,820	6,194	510
23	Agricultural Department ...	...	300	459	10	769	291
23(a)	Director of Agricultural College	35	791	...	165	991	699
24	Veterinary Department ...	4	310	125	200	669	250
25	Horticultural Department ...	...	91	...	145	236	45
26	Sericulture Department ...	10	205	40	...	255	40
27	Industries and Commerce ...	10	272	177	58	517	274
27(a)	Registrar of Joint-stock Companies.	...	15	...	...	15	15
28	Textiles (Additional Director of Industries and Commerce).	...	125	...	883	1,008	30
29	Jayachamarajendra Occupational Institute.	...	382	...	...	382	...
30	Sri Krishnarajendra Technological Institute, Bangalore.	...	28	..	...	28	5
31	Labour Department ..	...	...	...	128	128	128
32	Broadcasting Station ...	...	205	...	5	210	155
33	Co-operative Societies ...	...	165	78	...	243	215
34	Rural Development Scheme ...	...	495	225	120	840	630
35	Military Department ...	15	21,715	...	749	22,479	59†
36	Food Supplies Department ...	200	560	...	740	1,500	1,200
37	Petrol Rationing	...	90	...	...	90	...
38	House Rent Control ...	...	5	...	...	5	5
39	Civil Station, Bangalore ...	...	330	...	769	1,099	733
40	Railway Department ...	...	565	100	73	738	570
41	Electrical Department ...	..	89	...	5,134	5,223	8,384
42	Insurance Funds	...	135	...	...	135	135
43	Trust Board, Bangalore ...	...	195	...	777	972	417
44	Trust Board, Mysore ...	...	80	...	75	155	75
45	Red Cross Funds	...	5	...	...	5	5
46	Sandal Oil Factory	20	100	...	...	120	100
47	Dichromate Factory ...	...	48	...	...	48	28
48	Chairman, Beggars' Relief Committee.	...	132	...	10	142	10
49	Offices at Jog.	...	50,969	...	...	50,969	13,656
	Total ..	970	1,47,192	13,076	46,172	2,07,410	48,511

* No savings is proposed in view that it is expected that the conveyance allowance will be regulated as per suggestion made by me in Chapter III(c).

† No savings is proposed as it is expected that the allowance will be regulated by Government of India Army Regulations.

H.R.A.—House Rent Allowance.

ANNEXURE XII.

(Chapter III, Para 53, Page 54.)

Statement of Pensions and Allowances from the year 1928-29 to 1948-49.

Head of Account	1928—29	1929—30	1930—31	1931—32	1932—33	1933—34	1934—35	1935—36	1936—37	1937—38	1938—39
1	2	3	4	5	6	7	8	9	10	11	12
1 Political Pensions and Allowances ...	·72	·73	·74	·70	·68	·73	·71	·69	·74	·75	·72
2 Superannuation & Retired Allowances	13·11	14·41	14·16	15·69	17.48	17·70	17·63	19·76	19·82	20 76	21·59
3 Compassionate Allowance ...	·10	·10	·10	·08	·08	·07	·07	·13	·23	·27	·35
4 Gratuities ...	·23	·19	·07	·11	·06	·09	·08	·09	·09	·06	·07
5 Commuted value of pensions ...	·48	·63	·71	·75	·74	·74	·99	1·17	1·38	1·52	1·66
6 Compassionate Gratuities ...	...	·03	·26	·57	·65	·59	·75	·68	·92	·87	·93
7 Dearness Allowance to Pensioners ...	...	...	...	...	...	...	...	...	...	...	...
Total Pensions and Allowances Charges.	14·64	16·09	16 04	17 90	19·69	19·92	20·23	22·52	23·18	24 23	25·32

Head of Account	1939—40	1940—41	1941—42	1942—43	1943—44	1944—45	1945—46	1946—47	1947—48	1948—49
	13	14	15	16	17	18	19	20	21	22
1 Political Pensions and Allowances ...	·69	.69	.67	.65	.63	·53	·71	·64	·64	·62
2 Superannuation and Retired Allowances ...	21·34	24.59	24.08	25.04	26.31	27·50	28·56	33·29	31·00	32·00
3 Compassionate Allowance ...	.34	.25	.33	.31	.32	·31	·26	·25	·29	·30
4 Gratuities	.06	.08	.07	.05	.04	·04	·03	·12	·04	·04
5 Commuted value of pensions	1.81	1.92	2.00	1.90	1.65	8·85	5·50	·46	·61	·60
6 Compassionate Gratuities	1.17	1.11	1.06	1.00	.95	·77	·86	·95	·95	1·00
7 Dearness Allowance to Pensioners	...	...	...	...	...	...	...	...	...	5·50
Total Pensions and Allowances Charges ...	25.41	28.64	28.21	28.95	29.90	38·00	30·92	35·71	33·53	38·06

ANNEXURE No. XIII.

(Chapter IV, Para 6 Page 68)

Statement of Rents paid on private buildings used for offices in the State—*contd.*

.....	Bangalore City	Bangalore District	Mysore City	Mysore District	Tumkur District	Chikmagalur	Hassan	Chitaldurg	Shimoga	Mandya	Kolar	Total
1	2	3	4	5	6	7	8	9	10	11	12	13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1 Commissioner for Settlement and Land Records ...	...	...	75	...	20	...	40	...	...	20	30	185
2 Commissioner of Income-tax	300	...	...	...	...	...	35	80	50	...	...	465
3 Chief Conservator of Forests	...	58	150	25	25	40	...	...	12	...	...	310
4 Excise Commissioner	100	50	...	42	40	...	6	...	55	20	42	355
5 Inspector-General of Registration	...	8	...	90	14	...	23	...	...	20	...	155
6 Inspector-General of Police	603	517	40	170	160	42	10	149	99	68	121	1,979
7 Senior Surgeon	588	...	33	...	...	...	...	...	27	...	...	648
8 Director of Public Health	...	30	50	18	...	45	50	52	50	216	...	511
9 Registrar of Co-operative Societies	250	...	60	...	30	40	30	25	30	50	430	935*
10 Director of Agriculture	400	421	185	835	589	537	275	467	343	1,086	527	5,665
11 Principal, Agricultural College	60	...	...	...	...	...	...	...	...	40	...	100
12 Superintendent of Veterinary and Animal Husbandry Services.	300	15	160	10	8	30	118	124	48	76	46	945
13 Superintendent, Government Gardens ...	...	...	...	...	...	25	25	18	20	15	35	138
14 Superintendent of Sericulture	195	105	...	100	15	...	...	...	...	25	30	470
15 Chief Marketing Officer	50	...	...	30	...	...	...	33	...	...	...	113
16 Director of Industries and Commerce ...	592	175	35	21	6	75	27	51	44	10	169	1,205
17 Commissioner of Labour	185	...	40	...	...	...	...	...	...	...	...	225
18 Chief Electrical Engineer	55	57	...	18	25	...	130	...	20	6	41	352
19 Auditor, Food Supplies	4,436	1,231	3,817	583	1,175	309	578	1,141	531	432	2,816	1,7099
20 Chief Engineer for Irrigation	...	...	165	45	60	...	80	263	130	20	...	763
21 Secretary, Government Life Insurance Department	...	...	40	...	...	...	...	...	...	...	...	40

		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
22	Director of Public Instruction, Education Department (Building in Jayachamarajendra Road, Bangalore).	...	...	...	...	...	...	...	...	...	...	...	16 †
23	Comptroller, Comptroller's Office in Insurance Buildings, Ali Asker Road.	853	...	...	...	...	...	...	...	...	...	...	853
24	Auditor, P.W.D., High Grounds	300	...	...	...	...	...	...	...	...	...	...	300
25	Special Officer, Efficiency Audit Office ...	300	...	...	...	...	...	...	...	...	...	...	300
26	Officer, Prohibition Office	300	...	...	...	...	...	...	...	...	...	...	300
27	Chairman, City Improvement Trust Board ...	500	...	...	...	...	...	...	...	...	...	...	500
28	Controller of Civil Supplies and other Offices situated in United Buildings.	688	...	...	...	...	...	...	...	...	...	...	688
	Total ...	11,055	2,717	4,866	1,987	2,167	1,143	1,427	2,403	1,459	2,104	4,287	35,615

* Rent paid at Rs. 8 for 50 Office of Co-operative Societies included under Kolar as no details are available.

† Singular item appeared in the Sh. of E.E., Buildings Division, Mysore.

ANNEXURE No. XIV.

Page 386

Statement showing the anticipated demand, collection and balance of contribution, water rate, in Mandya District, 1948-49.

(In lakhs of rupees.)

Taluk	Arrears				Demand				Collection				Balance			
	Contribution	Water Rate	Other Items	Total	Contribution	Water Rate	Other Items	Total	Contribution	Water Rate	Other Items	Total	Contribution	Water Rate	Other Items	Total
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*	*16*	*17*
Mandya ...	10·40	17·67	2·80	31·07	.80	3·50	1·20	5·50	2·05	3·70	1·17	6·92	9·15	17·67	2·83	29·65
Maddur ...	8·79	19·29	...	28 08	1·30	3·52	...	4·82	1·15	1·85	...	3·00	8·94	20·96	...	29·90
French-Rocks.	1·07	3·36	...	4·43	·10	·67	...	·77	·45	·85	.	1·30	·72	3·18	...	3·90
Srirangapatana.	0·53	1·41	...	1·94	·17	·26	...	·43	·24	·29	...	·53	·46	1·38	...	1.84
Malavalli ...	2·36	2·71	...	5·07	1·35	1·90	...	3·25	1·15	1·64	...	2·79	2·56	2·98	...	5·54
Total ...	23·15	43·84	2·80	70·59	3·72	9·85	1·20	14·77	5·04	8·33	1·17	14·54	21·83	46·17	2·83	70·83

ANNEXURE No. XV.

Page 71

Statement showing the Taluks and the year in which the period of survey guarantee of thirty years lapses in respect of each.

Year	Bangalore District	Kolar District	Tumkur District	Mysore District	Mandya District
1	2	3	4	5	6
1934—35	...	...	...	...	...
1935—36	...	...	...	...	...
1936—37	...	...	Chiknaikanhalli (late Budikal)	...	...
1937—38	...	Bangalore.	...	...	...
1938—39	...	...	...	...	...
1939—40	...	...	...	...	...
1940—41	...	...	Sira, Tumkur, Pavagada.	...	...
1941—42	...	...	...	...	...
1942—43	...	...	...	...	...
1943—44	...	...	Late Koratagere	...	...
1944—45	...	...	...	...	...
1945—46	...	...	...	...	...
1946—47	...	...	Madhugiri.	...	...
1947—48	...	...	...	...	...
1948—49	...	...	...	...	...

Year	Hassan District	Shimoga District	Chikmagalur District	Chitaldrug District
	7	8	9	10
1934—35	...	...	...	Hiriyur, Davangere.
1935—36	...	...	...	Chitaldrug, Holalkere & Jagalur.
1936—37	...	...	...	Challakere.
1937—38	...	Chennagiri ...	...	Molakalmuru.
1938—39	...	Sagar & Sorab.	...	...
1939—40	...	Shikaripur ...	...	...
1940—41	...	...	...	...
1941—42	...	...	...	...
1942—43	...	Late Anantapur (Honnali)	...	...
1943—44	...	Shimoga ...	...	...
1944—45	...	Nagar ..	...	...
1945—46	...	Thirthahalli ...	...	...
1946—47	... Belur ...	...	...	...
1947—48	...	...	Tarikere late Bannavara.	...
1948—49	... Late Hannahalli.	...	Koppa ...	...

ANNEXURE No. XVI.

Page 96

Statement showing the scales of fees for several items of services rendered by the Survey Department.

Sl. No.	Items of Service	Existing scales of fees	Scales of fees proposed by the Economy Officer	Scales of fees proposed by the Commissioner	Remarks
1	2	3	4	5	6
	I. MEASUREMENT WORK.				
1	Showing hadbust of a S. No. or a hissa by a Surveyor ...	Rs. 3 per S. No. ...	Rs. 5 ...	Rs. 5 ...	...
2	Do by a Supervisor	Rs. 5 ,, ...	Rs. 8 ...	,, 8 ...	...
3	Do by a Gazetted Officer	Rs. 15 ,, ...	Rs. 25 ...	,, 25 ...	..
4	Supervision of the removal of Bandhs and substitution of stones at the request of the parties in cases involving no measurement.	Re. 1 ,, ...	Rs. 2 ...	,, 3 ...	...
5	Challenge fees for an inspection by a Surveyor or Supervisor ...	Rs. 5 ...	Rs. 8 ...	,, 8 ...	...
6	Do by a Gazetted Officer	Rs. 15 ...	Rs. 25 ...	,, 25 ...	...
7	Do by a Superintendent or a Commissioner ...	No fee is prescribed but there are precedents in which parties have credited Rs. 50 for the inspection by the Supdt.	Rs. 50 ...	May be dropped ...	...
8	Kayish Phod	Rs. 4 per No. ...	Rs. 6 ...	Rs. 6 ...	...
9	Phodi fees (subject to refund if the party renders help for measurement and erects boundary marks at his cost.)	Rs. 8 ,, ...	Rs. 12 ...	,, 20 in Maidan ... ,, 30 in Semi-Malnad. ,, 40 in Malnad ...	... ...
10	Measurement of lands for coffee, cardamom and tea cultivation ...	Rs. 10 for 20 acres and under and Rs. 5 for every additional extent of 20 acres or fraction thereof.	Rs. 20 ... Rs. 10 ...	,, 20 ... ,, 10 ...	... ...
11	For showing boundaries in the case of dry, wet or garden and small kharab numbers in the limits of a Municipality.	Rs. 3 or actual charges (whichever is more).	Rs. 5 or actual charges whichever is more.	Rs. 10 or actual charges whichever is more. Deposit Rs. 25.	...
12	Mutation fees for the Sub-Division of a Hissa	Rs. 3 per hissa ...	Rs. 3 ...	Rs. 3 ...	...
13	Mutation fee or entries requiring no measurement	Rs. 0-8-0 per entry ...	Re. 0-8-0 ...	Re. 0-8-0 subject to the condition referred to in covering letter.	...

	II. COPYING FEES.—(i) *Record of Rights.*			
14	Inspection of entries in the Record of Rights and Mutation Registers in the Taluk Office.	Re. 0-2-0 per entry ...	No change ...	No change ... ...
15	Search fees in the Record of Rights and Mutation Registers in the Taluk Office.	,, 0-4-0 ,, ...	,, ...	,, ...
16	Uncertified copies of Record of Rights and Mutation Registers of the Taluk Office.	,, 0-2-0 ,, ...	,, ...	,, ...
17	Inspection of a document	,, 0-8-0 ,, ...	,, ...	,, ...
18	Certified copy of the above—			
	(i) Copying every hundred words or fraction thereof ...	,, 0-2-0 ,, ...	} No change ...	No change ... ...
	(ii) For comparing do	½ of the above ...		
	(iii) For tabular statement	Twice the above rate (*i*)		
	(iv) For a printed form	Re. 0-0-3 ...		
	(v) For a copy of a Map of hissa	,, 0-4-0 ...	,, ...	Re. 1 ... ...
	(vi) For the Tippani of a hissa	,, 0-8-0 ...	,, ...	Re. 1 ... ...
	(ii) *Original and Re-Survey Records.*			
19	Original and Re-Survey Tippani copy	Re. 1 for a S. No. ...	Rs. 2 ...	Rs. 2 subject to the modification that in cases the parties apply for the grant of copies earlier than, they fall due in the usual course, they may be required to pay urgent fee of Rs. 2 for each copy. ...
20	Do Kharab Uttar copies	,, 1 for each S. No.	Rs. 2 ...	
21	Do copies of water source	,, 1 ,, ...	Rs. 2 ...	

So. No.—Survey Number.

ANNEXURE No. XVI—Statement showing the scales of fees for several items of services rendered by the Survey Department—*concld.*

Sl. No.	Items of Service	Existing scales of fees	Scales of fees proposed by the Economy Officer	Scales of fees proposed by the Commissioner	Remarks
1	2	3	4	5	6
	(iii) *Inam Records.*	Rs. a. p.	Rs. a. p.	Rs. a. p.	
22	(i) Item to be included : All applications for copies of decisions are to be addressed on a paper affixed with one anna court fee stamp, together with court fee labels of the value of Re. 0-8-0 for every 360 words or fraction thereof according to the provisions of the court fees regulation for authenticating the copies.	0 8 0	...	2 0 0	...
	(ii) Inspection of Inam Record under Rule 107 of the Land Revenue Rules.	0 8 0	1 0 0	2 0 0	...
	(iv) *Settlement Records.*				
23	For every certified copy of Faisal Patrika. Akarband for the First 100 S. No.	1 0 0	2 0 0	2 0 0	...
24	For every additional 60 S. Nos.	0 4 0	0 8 0	0 8 0	...
	(v) *Maps.*				
25	(1) If the size is within 2½ sq. ft.	1 0 0	2 0 0	2 0 0	...
	(2) Do above 2½ and within 4 sq. ft.	1 8 0	3 0 0	3 0 0	...
	(3) Do above 4 sq. ft.	2 0 0	4 0 0	4 0 0	...
	(4) Taluk Map irrespective of the size	1 8 0	3 0 0	3 0 0	...
	(5) State Map	2 8 0	5 0 0	5 0 0	...
	(6) District Map	2 8 0	5 0 0	5 0 0	...
	(7) Skeleton map of the State (printed in the Litho Press of the Office includes all taluks of the State).	1 0 0	2 0 0	2 0 0	...
	(8) District Tour Maps	1 0 0	2 0 0	2 0 0	...
	(9) Hand-drawn map in respect of unsettled Inam Villages :—From S. No. 1 to 30	1 0 0	2 0 0	3 0 0	...
	31 to 60	2 0 0	4 0 0	6 0 0	...
	61 to 100	3 0 0	6 0 0	9 0 0	...
	for every 50 S. Nos. after 100 ...	1 0 0	2 0 0	3 0 0	...
	(10) Pahani Suds for 100 S. Nos.	1 0 0	2 0 0	3 0 0	...
	(11) Pahani subsequent to 100 for every 50 S. Nos.	0 4 0	0 8 0	1 0 0	...
					...

ANNEXURE No. XVII.

Page 98

Statement showing timber, etc., collected departmentally from 1932-33 to 1946-47.

Year	Timber	Sandalwood		Firewood	Charcoal	Bamboos	Minor Forest Produce
		Rough	Goodwood				
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
	Cft.	T. Cwts.	T. Cwts.	T. C. Q. Lbs.	Bags.	Lots.	
1932-33 ...	652,594	1,982— 5	786—18	97,395—10— 0— 0	4,649	5,166½	*Canes* ... 3,751 Handi bethas. 1,175 Halu ,, Lac ... 475 Maunds. Ivory ... 338 lbs. 8 ozs.
1933-34 ...	723,995	2,622—10	1,725— 7	127,767—18— 0— 6	5,598	5,683 4½	Canes ... 1,778 Handi bethas. 777 Halu ,, Lac ... 382 Mds. 8 lbs. Ivory ... 139 lbs. 5 ozs. Nux-Vomica seeds 750 seers.
1934-35 ...	734,624	2,102— 1	1,735—19	112,361— 8— 2— 7	420,090	1,713	Canes ... 1,655 Handi bethas. 2,659 Halu ,, Lac ... 423 Mds. 3½ lbs. Ivory ... 133 lbs 18½ ozs. Nux-vomica seeds 1,301 seers 60 lbs. Adhatode vascia 2 bags.
1935-36 ...	637,100	2,380— 0	1,974—12	83,293— 4— 3— 0	417,285	4	Canes ... 1,315 Handi bethas. 3,770 Halu bethas. 1,380 Simbe bethas. 6 Naga bethas. Lac ... 329 Mds. 18½ lbs. Ivory ... 298 lbs. 12 ozs. Gallnut ... 300 Mds.
1936-37 ..	827,836	1,815— 2	1,863—17	69,564— 5— 2— 0	535,301	...	Canes ... 7,073 Handi bethas. 3,926 Halu bethas. 415 Simbe bethas. 36 Naga bethas. Lac ... Jalari 474 Mds. 27 lbs. Kusum 7 ,, 21 ,, Goni, Kagli and Bore 5 Mds. Ivory ... 131 lbs. 14 ozs.

ANNEXURE NO. XVII—Statement showing timber, etc., collected departmentally from 1932-33 to 1946-47—*contd.*

Year	Timber	Sandalwood		Firewood	Charcoal	Bamboos	Minor Forest Produce	
		Rough	Goodwood					
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	
	Cft.	T. Cwts.	T. Cwts.	T. C. Q. Lbs.	Bags.	Lots.		
1937-38 ...	825,267	2,252—12	2,336— 6	57,727— 1— 0—21	676,735	*Paper Mills* 3,697—18 Tons	Gallnut ...	1,000 Mds.
							Canes ..	5,495 Handi bethas.
								2,600 Halu bethas.
								388 Simbe bethas.
								144 Naga bethas.
							Lac ...	Jalari 620 Mds. 21 lbs.
								Sagade 8 ,, 2 ,,
								628 ,, 23 ,,
							Ivory ...	396 lbs. 15 ozs.
						T.		
1938-39 ...	760,475	2,168—14	1,959— 6	79,134— 3—37—12	728,500	10,092—4	Canes ...	5,520 Handi bethas+129
								1,803 Halu ,, + 87
								400 Simbe ,, + 23
								15 Naga ,,
							Lac ...	Jalari 1,209 Mds. 1 lb.
								Sagade 51 ,, 8 lbs.
								1,260 ,, 9 ,,
							Ivory ...	367 lbs. 2 ozs.
1939-40	707,455	2,537— 2	1,715— 6	93,276—12— 1—61 500 Mds. 3 Cart-loads.	528,877	5,513—11	Cones ...	2,134 Handi bethas.
								1,675 Halu bethas.
								112 Simbe ,,
								15 Naga ,,
							Lac ...	Jalari 677½ mds.
								Sagade 27 ,,
							Ivory ...	145 lbs. 2½ ozs.
					T. Cwt.			
1940-41 ...	200,000 From Ghat Forests. 859,253 From Moist deciduous.	1,544—11	1,569—17	119,129— 4— 0— 0	15,189—15	4,161— 7 5,000 Sets of Tent Posts.	Canes ...	3,275 Handi bethas.
								3,000 Halu ,,
								894 Simbe ,,
								8 Naga ,,
							Ivory ..	4,488 Tolas.
							Lac ...	510 Mds. 19½ lbs.

1941-42 ...	989,670 Cft. 6,968 Poles.	1,888—18	1,978—19	132,055— 0— 0— 0	15,662— 0	8,163— 1	Canes ... 5,022 Lac ... 269 Mds. Ivory ... 5,167 Tolas.	
1942-43 ...	1,071,490 Cft.	1,461— 9	1,263—18	126,695— 0— 0— 0	372,538 Bags	8,163 Tons	Green ... Tamarind 34-19-38. Lac ... 509 Mds. 24 Mds. bore and Sagade.	
1943-44 ...	791,690-30 2,765 Poles 58,899 Ballies.	930— 4	1,034—18	60,181—10— 0— 0 *(75,670— 5— 0— 0)	14,983 Tons *(17,768 Tons).	1,260,693 Bamboos and Splints. 3,165,684 Sq. Ft. matting. 421—15 Tons.	Canes ... 3,395 Lac ... 359 Mds. Canes ... 2,549	
1944-45 ...	716,870 Cft. 4,106 Poles 639 Ballies.	1,586—13	1,266— 8	153,336—13— 0— 0	Tons 17,175—8	4,985—17 Tons 514,561 Bamboos of assorted dimensions to Defence Services.	Lac ... 485 Mds. Canes ... 27,838.	
1945-46 ...	893,269 Cft.	2,796-7-35-0	1,670—0—73	121,831 Tons	668,358 Bags.	7,913—14 Tons.	Lac ... 360 Mds. 25 lbs. Shorea Talura. Canes ... 4,300 Handi bethas 10,00 Simbe bethas.	
1946-47 ...	603,211 Cft.	1,921— 8 Tons	1,797—14 Tons	63,203 Tons	417,751 Bags.	5,460— 0 Tons. 6,520 Bamboos to Mysore Iron and Steel Works. 2,300 ,, to Sericulture Deptt. 1,000 ,, to Kemmangundi Hill Station.	Lac ... 4 Tons 13 Cwt. Canes ... 5,150 Handi bethas.	

Statement showing the working of railways owned by the State and worked by the State in each year from 1923-24 to 1945-46.

Year	Length of miles open on 30th June of each year	Number of Loco-motives	Number of passengers and other coaching vehicles	Number of goods wagons	Passenger traffic: Total number of passengers	Passenger traffic: Earning from passengers and other coaching earnings (Rs. 1,000)	Goods traffic: Total tonnage of goods carried	Goods traffic: Earnings from goods carried and other goods earnings (Rs. 1,000)	Gross earnings (Rs. 1,000)	Remarks
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*
	Miles.	No.	No.	No.	No.	Rs. in thousands.	Tons.	Rs. in thousands.	Rs. in thousands.	
1923—24 ...	263·60	30	185	390	2,747,134	16,34	304,925	9,61	26,65	
1924—25 ...	263·60	28	144	389	3,057,810	17,98	309,320	11,01	29,66	
1925—26 ...	263·60	27	138	388	2,992,529	17,59	296,481	11,18	29,46	
1926—27 ...	285·89*	27	141	386	3,166,483	18,12	281,486	11,82	30,51	*Due to opening of N. C. Rly.
1927—28 ...	285·89	31	147	386	3,457,049½	19,35	301,565	12,21	32,38	
1928—29 ...	287·05	32	170	386	3,535,986½	19,50	322,929	12,29	33,12	
1929—30 ...	301·64*	32	176	505	3,514,886	19,28	353,440	13,23	33,79	*Opening of Shimoga Town and Ragihosahalli.
1930—31 ...	312·33*	32	184	542	3,001,669	16,38	331,983	12,09	29,15	*Opening of Ragihosahalli and Arsalu Section
1931—32 ...	312·33	35	194	565	2,777,805	15,39	318,064	11,88	27,92	
1932—33 ...	312·33	39	179	566	3,199,831	16,31	302,018	11,13	27,95	
1933—34 ...	321·66*	39	177	563	3,241,788	16,62	299,341	11,86	29,11	*Opening of Arsalu-Anandapuram Section.
1934—35 ...	321·90	39	179	564	3,184,372	15,96	320,116	11,54	28,05	
1935—36 ...	321·90	43 (4 Bus and Lorry)	176	606	3,355,239	16,13	382,222	12,92	29,61	
1936—37 ...	321·90	43 (6 B. and L.)	178	602	3,545,886	16,49	446,688	12,88	30,05	
1937—38 ...	599·91*	80 (6 B. and L.)	311	1,844	5,964,749	24,99	616,588	25,28	57,39	*Resumption of B-H and Y-H Section.
1938—39 ...	599·91	82 (B. and L.)	322	1,534	7,426,270	31,62	953,584	41,81	74,54	
1939—40 ...	599·91	78 (6 B. and L.)	308	1,470	8,055,594	33,80	1,001,687	46,44	81,55	
1940—41 ...	609·42*	78 (6 B. and L.)	306	1,482	8,289,131	37,61	1,003,384	49,56	88,56	*Opening of Sagara-Talaguppa Secn.
1941—42 ...	609·42	78 (6 B. and L.)	310	1,458	10,304,185	48,62	1,161,382	53,31	98,47	
1942—43 ...	609·47*	78 (3 B)	306	1,461	9,913,009	56,22	1,035,667	61,76	1,19,44	*Construction of girder bridge on a new diversion near Mysore Stn.
1943—44 ...	609·47	78 (3 B.)	309	1,461	11,947,223	94,13	946,026	74,40	1,70,57	
1944—45 ...	602·47	78	310	1,466	14,618,398	90,59	936,401	66,53	15,712	
1945—46 ...	609·47	78	310	1,518	15,851,295	99,82	1,046,538.	68,97	16,879	

Statement showing the working of railways owned by the State and worked by the State in each year from 1923-24 to 1945-46.

Year	Length of miles open on 30th June of each year	Number of Locomotives	Number of passengers and other coaching vehicles	Number of goods wagons	Passenger Traffic		Goods Traffic		Gross earnings (Rs. 1,000)
					Total number of passengers	Earnings from passengers and other coaching earnings (Rs. 1,000)	Total tonnage of goods carried	Earnings from goods carried and other goods earnings (Rs. 1,000)	
1	2	3	4	5	6	7	8	9	10
	Miles	No.	No.	No.	No.	Rs. in thousands	Tons	Rs. in thousands	Rs. in thousands
1923—24	102·20	10	24	89	930,472	323	33,190	111	437
1924—25	102·20	10	24	91	878,274	307	33,558	115	426
1925—26	102·20	10	23	89	944,266	323	37,289	134	459
1926—27	102·20	12	24	89	941,998	318	38,040	137	457
1927—28	102·20	12	26	89	966,815	320	51,401	190	513
1928—29	102·20	12	28	89	896,713	293	50,773	187	482
1929—30	102·20	13	28	85	791,405	239	47,736	175	417
1930—31	102·20	13	28	85	630,507	181	37,027	135	317
1931—32	102·20	7	29	88	543,167	160	34,972	127	290
1932—33	102·20	7	29	87	602,075	180	35,498	123	304
1933—34	102·20	7	29	87	620,776	187	31,597	111	299
1934—35	102·20	10	29	89	729,373	191	30,390	108	301
1935—36	102·20	10	30	92	835,662	200	36,603	115	316
1936—37	102·20	10	30	92	833,707	200	35,170	86	287
1937—38	102·20	12	30	92	871,733	206	44,650	106	313
1938—39	102·20	12	30	92	877,479	207	43,626	123	332
1939—40	102·20	12	30	93	885,122	212	42,358	130	347
1940—41	102·20	12	30	93	925,335	215	47,357	120	337
1941—42	102·20	12	30	93	1,256,550	291	61,285	150	444
1942—43	102·20	12	30	93	1,336,523	391	67,228	244	638
1943—44	102·20	12	30	93	1,534,279	504	54,188	203	711
1944—45	102·20	12	30	93	1,936,020	648	50,605	227	875
1945—46	102·20	12	30	93	2,035,682	672	47,986	197	869

TRAMWAYS

Statement showing the working of Tramways owned by the State in each year from 1923-24 to 1945-46

Year	Length of miles open on 30th June of each year	Number of Locomotives	Number of passengers and other Coaching Vehicles	Number of goods wagons	Passenger Traffic		Goods Traffic		Gross earnings (Rs. 1,000)
					Total number of passengers	Earnings from Passengers and other coaching earnings (Rs. 1,000)	Total tonnage of goods carried	Earnings from goods carried and other goods earnings (Rs. 1,000)	
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
	Miles	No.	No.	No.	No.	Rs. in thousands	Tons	Rs. in thousands	Rs. in thousands
1923—24	36·20	4	4	36	62,962	24	3,403	13	37
1924—25	36 20	4	4	48	58,375½	21	5,702	33	54
1925—26	36·20	6	4	48	54,895	19	7,748	42	62
1926—27	36·20	6	4	48	53,587	18	6,729	34	53
1927—28	36·20	6	4	46	52,451½	17	7,984	36	53
1928—29	36·20	6	7	49	49,167½	16	7,955	34	50
1929—30	36·20	6	7	48	50,725	15	8,894	36	52
1930—31	36·20	6	7	48	47,055	13	7,549	32	45
1931—32	36·20	6	5	50	42,947	13	6,244	32	46
1932—33	36·20	6	5	49	42,501	13	8,475	37	50
1933—34	36·20	6	5	51	42,930	13	7,460	36	49
1934—35	36·20	6	5	55	41,046	12	9,132	37	49
1935—36	36·20	6	5	54	33,724	10	8,353	38	49
1936—37	36·20	6	5	54	28,678	9	8,861	39	48
1937—38	36·20	6	5	54	40,039	8	8,579	37	45
1938—39	36·20	6	5	54	39,749	8	9,228	37	45
1939—40	36·20	6	5	54	38,791	8	7,618	28	37
1940—41	36·20	6	5	54	40,548	8	10,571	39	47
1941—42	36·20	6	5	54	52,259	11	9,553	38	49
1942—43	36·20	6	5	54	61,048	16	9,616	32	48
1943—44	36·20	6	5	54	71,954	18	9,259	38	57
1944—45	36·20	6	5	54	77,851	20	7,797	28*	48
1945—46	36·20	6	5	54	75,194	20	5,998	28*	48

*Including other miscellaneous earnings.

WD 1336—GPB—500—7·8·49

KSA LIBRARY, B'lore
B018776
330.5487 CR,1949
II 24